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# East Europe Report

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9 DECEMBER 1986

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ECONOMY

CZECHOSLOVAKIA

PITRA URGES GREATER ECONOMIC SELF-SUFFICIENCY

Prague RUDE PRAVO in Czech 23 Oct 86 pp 3-4

[Article by Frantisek Pitra, Presidium candidate and CPCZ Central Committee secretary, "Improving Self-Sufficiency in Food: Part of the Strategy of Accelerating Socio-Economic Development"]

[Text] The goal of the Party's agricultural policy is to satisfy the nutritional requirements of our citizens with higher quality foods and to increase our degree of self-sufficiency in food production. We have achieved positive results in executing this long-range strategy, with particularly significant progress occurring in the most recent 5-year plan. During this 5-year period we were able to increase agricultural production and to improve our self-sufficiency in food. The 17th CPCZ Congress characterized the performance of the agro-food complex as "an important factor in the stabilization of the national economy and the domestic market." This is both high praise for the efforts of workers, and a foundation for the tasks of the Eighth 5-Year Plan. In this regard comrade Gustav Husak stated at the congress that "conditions exist for ongoing growth in agricultural production and increased application of industrial methods. Our socialist agriculture has highly qualified personnel and modern equipment at its disposal. All this makes it possible to place more rigorous demands on this sector and to strive to utilize its potential more fully."

The congress also showed that more than a few conflicts exist between plan objectives and reality. We need to focus most of our attention precisely on those sectors in which we have failed to meet our objectives. Agricultural production is still largely dependent on weather conditions. To date insufficient reserves have been stockpiled to guarantee fully stable supplies. The production techniques and, especially, quality of our potatoes, sugar beets and vegetables is behind the times. Unsubstantiated differences still exist in production intensity and managerial efficiency among agricultural enterprises operating under similar conditions. Not all enterprises make the best use of the available soil stock or the most effective use of available material inputs. This accounts for most of the high production costs involved in agricultural output. This in turn forces society to allocate significant financial resources to subsidize retail prices of certain foods.

## Quality Requirements On the Rise

Market saturation has resulted in greater demands for food quality, for product lines that offer balanced nutrition, and for food availability at various price levels. Neither the pace of innovation nor the sophistication of the work of commercial personnel has so far kept pace with food availability. We are not satisfied with either the quality or the completeness of capital asset deliveries. The specifications of some of our agricultural equipment lags behind world standards. The quality of our agricultural chemicals and the ways they are applied do not meet standards of intensification, particularly in the field of plant protection.

These shortcomings become painfully evident when compared to the tasks set for the agricultural sector by the 17th Congress and the conditions under which we will be feeding our people in the near future. This environment formed the basis for Main Objectives of Socio-Economic Development for 1986-1990, which were then specified in the Eighth 5-Year Plan. The plan objectives place great demands on farmers and employees in other sectors that participate in food production and delivery. It will be necessary to increase gross agricultural production by 6.9 percent in comparison with the previous 5 year period, with plant production slated to increase by almost 10 percent over 1985 figures by 1990. Meeting these production targets will make it possible to increase, for instance, meat consumption to 88.3 kilograms per capita annually, which is 2.3 kilograms more than last year. There will also be significant increases in the consumption of vegetables, fruit, milk and milk products, as well as other foods.

It would be an oversimplification to state that we are no longer concerned with the volume of food production, but only its quality and managerial efficiency. We need to increase output in this 5-year plan as well. The rate of growth will be lower than in the previous 5-year plan, but the objective, especially in the case of plant production, is no less complex. The difficulty of the task was underscored by shortfalls in this year's harvests of grains and many other crops. Grain production remains a key task. It is projected to increase by 5.2 percent in comparison with the previous 5-year plan. Planned production of 57.3 million tons must include average annual increases of 587,000 tons. Production increases have been planned for all other crops as well. Oil plant production targets, with a 32 percent increase planned, are especially ambitious. Planned increases for legumes are 25 percent, for stalk flax 20 percent, and for hops 17 percent. To meet these objectives we will have to make use of all possible scientific techniques for programming and planning yields. In particular the underutilized capacities of poorly managed enterprises will have to be mobilized. The lower growth rate of gross agricultural output in comparison with the previous 5-year plan underscores the need to stabilize this output by giving priority to increases in plant production. Increased livestock production is possible only in accordance with actual fodder stocks, after allowing for necessary reserves. We need to structure our output so that it will be marketable both at home and on export markets. The tasks that are most difficult to resolve concern quality, cost structures, and the relationship between inputs and final products. "What is true for the entire economy--improved management and efficiency--fully applies to agriculture as well," comrade Gustav Husak stated at the Congress, "This means that agricultural raw materials and foods must be produced less expensively."

## Real Possibilities Determine Tasks

The following comparison will serve to illustrate the complexity of the changes involved in improving efficiency. Agriculture must achieve an average annual rate of reduction of production consumption of 1.1 percent, while the target for industry is 0.9 percent. Of the increase in national income formation slated to come from industry 60 percent is to be in the form of increased production, 40 percent in the form of reduced production consumption. In agriculture this ratio must be reversed, i.e., a 38 percent increase in production and a 62 percent decrease in production consumption. The tasks of the Eighth 5-Year Plan and the resources needed to meet them are based on the actual potential and requirements of the national economy. They also take into account limiting factors that will have an impact on the intensification process in agriculture. This is mainly a matter of the scope and quality of soil improvement work, as well as intensification, power generation, and other inputs. Resource limitations, however, are far from the only reason to be pushing for efficiency enhancement. After all, in the past developing forces of production have more than once run into barriers from the traditional sources of growth. These have always, however, been overcome by scientific and technical progress.

The need to pay constant attention to efficiency is related to the existing sophistication of the forces of production, scientific and technical findings, and the need for the more rapid practical application of these findings. Science must become the most important factor in economic growth in agriculture as well. In comparison with earlier periods, the plan is now giving top priority to improving the qualitative aspects of production. This is necessitated by the "acceleration process" itself. We have provided quantitative satisfaction of social needs for most basic foods. It is therefore necessary and possible to shift to a new phase of nutrition policy that will attach greater importance to the qualitative aspects of full nutrition. This will require fundamental improvements in current technologies, the implementation of technical innovations and the active participation of the entire agro-industrial complex.

We have set the groundwork for current tasks. Above all, the overall positive results in implementing the resolutions of the 11th CPCZ Central Committee Plenum in 1984 have provided a firm foundation for current tasks. This was shown by an inspection that was conducted recently within the Central Committee Presidium. The measures that were adopted contributed to the fulfillment and overfulfillment of the main objectives of last year's plan. Greater success in mobilizing internal capacities along with more favorable weather conditions allowed us to make up for the shortfalls from previous years as well as to meet Seventh 5-Year Plan objectives completely. Moreover, the timely clarification of goals for the long-range development of the agro-industrial complex have set the stage for preparations for the Eighth 5-Year Plan.

## Management Quality Is Decisive

The full implementation of the resolutions of the 17th Congress will require systematic and strict controls from the very beginning. This must be combined with an analysis of the reasons for deviations from assigned tasks and the firm



resolution of any difficulties. This is especially essential in areas critical to the implementation of the congress' strategy. Which areas should we pay the most attention to? Management quality is of fundamental importance.

In conjunction with specific objectives outlined in the long-range program measures have been devised to improve the economic system, and mechanisms of the planned management system have been announced for the Eighth 5-Year Plan. Planning within the context of the national agro-industrial complex sets the groundwork for upgrading intersectoral links, for simplifying plan indicators, improving the khozraschet management of the enterprise sphere. This, along with the implementation of a system of contracts as an essential component of the plan, will facilitate the timely implementation within the agro-industrial complex of necessary measures for improving management mechanisms related to the national economy. The purpose of these measures is further to strengthen economic pressure for the more complete mobilization of internal capacities, for the broad application to R&D findings and further improvements in the efficiency and profitability of agricultural output.

The gradual implementation of an improved management system will result in a more rigorous economic climate for implementing a strategy of efficient intensification. Agricultural enterprises will pay more attention to managerial efficiency and efficient utilization of production resources. They are now more interested in the broader implementation of R&D findings. The merit principle of compensation is being applied more widely and internal enterprise management is improving.

While overall the system is functioning smoothly, there remains a number of areas where it could be implemented more effectively. The sharp criticism that came from the podium at the congress directed at many managerial agencies, customers and suppliers was completely justified. The party made it very clear that this is another area where no discrepancy will be tolerated between words and deeds. This was the message delivered both to lower ranks of management as well as to pertinent central offices. No one has the right to interpret the principles of the system in his own way. This is also true of efforts to "boss around" agricultural enterprises about what they must plant and where, what herds of livestock they should have, etc. It should come as no surprise that with this sort of approach the plan, instead of serving as a motivator for multifaceted activities, becomes a means for forcing subordinate enterprises to conform to what often amounts to the subjective opinions of superiors. Effective managerial work does not consist of distributing directives regarding the fulfillment of national requirements but in techniques that foster the broadest possible development of the activities of work collectives.

The activities of most agricultural administrations are only slowly shifting in their emphasis from the operative assurance of production targets to the expansion of R&D programs, assistance in implementing internal enterprise khozraschet, improvements in compensation, more effective resolution of the problems of backward enterprises, improving supplier-customer relations, increasing the authority of contracts, etc. Agricultural administrations must see to the full satisfaction of national requirements as expressed in existing contracts. This is a matter of assuring that these contracts are executed

correctly in terms both of quality and delivery time, and that the production capabilities of all agricultural enterprises are fully utilized. Agricultural administrations must also assure that production is efficient, that people are paid according to their performance, and that the newest R&D findings are promptly implemented. Agricultural enterprises must be supplied with necessary quantities of intensification-related inputs in line with the actual possibilities of the economy.

Improvements in the managerial sophistication of backwards enterprises attests to the existence of potential in this area. Despite the fact that the intensity and efficiency of management has improved in about two-thirds of such firms, slipshod execution of intensification programs resulted in the failure of many of these poorly managed enterprises to eliminate the reasons for their backwardness any more rapidly. Despite efforts to approach these problems more comprehensively, certain shortcomings persist in this area. In the area of the managerial and controlling activities of the ministries of agriculture and food and agricultural administrations, the necessary guarantees are not yet in place for the optimal utilization of substantial resources allocated to the intensification fund. We must stop making excuses for backwardness and search for a solution in a change in subjective factors in their management. This is the main criterion for making a return on those assets which society has invested in this field.

We have obtained our first practical experience with assuring the state plan in an environment of a limited number of binding indicators and increased authority and accountability for the enterprise sphere. Existing contracts and enterprise plans for the current year have assured most of the national demand for basic foods and agricultural raw materials. We are far from being able to state however that we have overcome an administrative-directive mentality to plan fulfillment. The contrary is true. There are indications that attitudinal inertia and traditional approaches are very powerful. We have only been able to implement isolated programs. Overall sophistication in the negotiation of supplier-customer relations in the planning process is inadequate. The approach of consumers to the signing of contracts also varies. Furthermore the rare occasions in which penalties are imposed on either producers or consumers for failure to perform according to contractual terms shows that we must take immediate steps to put teeth into contractual agreements.

During the formulation of implementation plans for this year it became clear that the enterprise sphere has reacted in highly differentiated ways to adjustments that have been made in economic mechanisms. Most agricultural enterprises have passively incorporated these economic measures into their financial plans. Only a small number of them have actually taken steps to mobilize underutilized capacity or to improve their performance. The performance figures for those enterprises that did make an effort indicate that the hard work involved was worth it. We must apply the lessons learned from these experiences to task fulfillment in 1987 and to plan formulation for the remainder of the Eighth 5-Year Plan. Ongoing work on these plans should be conducted in full compliance with the principles of the existing system. Communists working in managerial offices, in agricultural, supply and consuming organizations must fight for the implementation of these principles and be uncompromising in demanding compliance from co-workers.

The degree to which integration funds are used to facilitate more effective cooperation between agricultural enterprises and their customers and to provide raw materials of the requisite quality as well as higher quality processing also differs markedly from enterprise to enterprise. All procurement organizations must make use of the experiences we have gained in this area in the past. The Mrazirny sectoral enterprise procures 96 percent of its vegetables and more than 50 percent of its fruit through direct deliveries under long-term cooperative agreements with growers. Canneries spent more than Kcs 46 million on integration programs last year alone. This has resulted in a tomato processing operation in conjunction with the Znojmo State Farm, a fruit warehouse in Dolany, and other projects. The flax industry has many years of experience in this area. In recent years it has been faced with a chronic shortage of raw materials, forcing it to sign contracts under arbitration in a number of instances. In the Seventh 5-Year Plan it was finally successful in developing close, integrated relationships. These have made it possible finally to procure enough raw material for the industry's scutching facilities. With the quantity problem solved, the flax industry can now devote its attention to the question of quality. The goal for the current 5-year plan is to develop integrational relationships in this area.

#### Top Priority: Rapid Implementation of R&D Results

In order to meet successfully the demanding targets of the current 5-year plan it will be necessary to accelerate the implementation process for R&D findings. In addition it will be necessary to improve the efficiency of the R&D base within the agro-industrial complex. This will also involve more effective utilization of international R&D and economic cooperation. The formulation of a unified plan for the R&D efforts of the agro-industrial complex has played an important role in motivating researchers of the R&D base and keeping them focused on the highest priority programs. This unified plan spells out the resolutions of the 17th Congress regarding the acceleration of R&D implementation and improvements in R&D management throughout the national agro-industrial complex. The task of managerial offices is to devise and implement control systems for this implementation and to see that these controls are upgraded as needed.

The Comprehensive Program for R&D Progress for CEMA Member Countries Through the Year 2000, and especially its top priority program--the accelerated development of biotechnology--is of fundamental importance to the advancement and improved implementation of R&D. Our participation in the development of biotechnologies is fully in line with our own national requirements and the current sophistication of our R&D base. The program of biotechnologies research includes the fields of genetic and cellular engineering, new systems for plant protection, the application of bioengineering to livestock production, the use of biologically active substances, the development of new technologies, the treatment and protection of livestock, the use of biotechnologies in the food processing industry, etc. One specific program will be the startup in Nitra of a joint Czechoslovak-Soviet Laboratory for biotechnologies related to livestock production. We consider monitoring the quality of fulfillment of the tasks of the Comprehensive Program to be a top priority political task, and will give it the attention it deserves.

In addition to biological and technical service organizations, leading agricultural enterprises engaged in the operation of cultivation and technical systems are also important to the comprehensive implementation of R&D findings. Currently such systems are being operated on 48,200 hectares of grain corn, almost 1,000 hectares of potato fields, 30,000 hectares of rape, 5,000 hectares of lentils, 1,920 hectares of soybeans, etc. These activities should be expanded, but to do so will require greater availability of the facilities and equipment needed for implementing a given "system." These systems must be used to a greater extent than currently to solve problems in backward enterprises.

A receptive atmosphere exists currently in most agricultural enterprises for the implementation of R&D findings. Cooperatives and state farms are expanding their active participation in the practical implementation of R&D findings by producing advanced agricultural equipment, electronics, chemical preparations, etc. Currently 20 agricultural enterprises manufacture various pieces of electronic equipment. A scientific production association has been established at the Velke Bilovice JZD for the automated control of technical procedures. Twelve additional scientific-production associations are involved in the accelerated application of the newest R&D findings to specific areas of agricultural production. Agricultural management offices should provide as much assistance as possible to these associations and better directing and organize their activities so as to minimize waste of resources and equipment.

#### Efficient Utilization of Internal Reserves

Efforts to improve the overall efficiency and labor productivity of agricultural enterprises should not be confined to plant and livestock production. We must also take a look at associated production operations. Some 60,000 people are currently employed in such activities and generate annual revenues in the range of Kcs 16 billion. This is obviously socially beneficial activity that undoubtedly contributes to the effective utilization of internal capacities, stabilizes the work force and also helps provide other public requirements. These operations make it possible to utilize the work force better between peak periods of agricultural work and to provide employment to handicapped people. On a national level such production is important because it helps to meet production targets for some hard-to-obtain machines and equipment and other equipment needed to intensify agricultural production. Cases of undisciplined behavior and violation of existing regulations have detracted from the importance of associated production in the public eye, unfortunately.

There is also significant underutilized capacity in various auxiliary operations and in the enterprise management sphere itself. A number of agricultural enterprises have in recent years significantly increased their staffs in this category of employee. The greatest increases have been in the ranks of technical-economic employees and maintenance personnel. At both the production and management levels we must keep a close eye on the utilization of the work force. This goal will be best obtained by implementing systems of compensation based on performance.

Intensification will only be effective if the quality of management is improved at all levels. In turn, scientific management is impossible without good information. This means that we must make effective use of advanced computer

and communications equipment. This is not fashionable. It is essential. Currently, almost 18 percent of all agricultural enterprises use 720 micro-computers in management. This is in addition to the services provided by Agrodata and the Management Rationalization Enterprise. Roughly one-third of all agricultural enterprises have radio communications systems. We need to increase much more rapidly the number of enterprises that utilize computers to improve the quality of planned production and to assist in day to day management.

Experience has taught us that an absolutely essential part of socialist construction is to make sure that a community of interest exists between society, the work collective, and the individual. Science and technology are not the only determinants of success. The attitudes of people to themselves and the work at hand are more important. We will be able to speed up economic development only if we succeed in involving every work collective and each and every individual in the effort. Party organizations, public organizations and enterprise management must therefore devote much more attention to work collectives. The most effective means for motivating these entities is internal enterprise khozraschet, and team forms of work organization and compensation. The performance of leading enterprises, including the sectoral enterprises of the Sumava State Farms, the Cheb State Farms, the Moravan JZD with its base in Petrvald, and a number of others, has convincingly shown how little we have taken advantage so far of the potential that exists in these areas. This raises the question of what has been holding back the wider application of these systems.

The reason, and at the same time the resolution of the problem, lies in the fact that the team form of work organization and compensation cannot exist in any sort of "model form" in and of itself. Rather, it is the logical culmination of the comprehensive application of internal enterprise khozraschet, as well as a very effective mechanism for its implementation. Khozraschet never, however, begins to operate automatically. There is much that has to be done at an enterprise before it can be implemented. Experience has shown that 6 months to one year of intensive work is usually needed with all managerial and production employees and senior enterprise management. This often involves close cooperation with party or union organizations or the Union of Cooperative Farmers organization.

Effective personal economic incentives are the weakest link in internal enterprise management. The full and detailed breakdown of the enterprise plan, specifying all norms and standards, is an important condition for such incentives to be effective. Team forms of work organization and compensation require even more precise levels of plan specification. When signing bilateral agreements between team collectives and an enterprise it is necessary to specify work conditions and production and marketing targets far more concretely than is usually the case in a plan breakdown. Senior managers should participate personally both in the signing of these agreements with teams and in the evaluation of results. This is the only way to improve team work forms with new ideas and suggestions in the interest of developing each collective and the entire enterprise in line with national requirements.

Collectives which successfully implement team forms of work organization and compensation experience a close correspondence between earnings levels and khozraschet performance. Compensation develops a collective character with differentiated allocations of the earnings pool, mainly in the form of wage incentives. The impact of this system, in other words, is not achieved through any special system of compensation, but from the application general principles within a work collective. In addition to expanding the standards base, increasing the utilization of technical and managerial standards and implementing personal incentives, these principles involve a purposeful orientation towards bonuses for quality and managerial efficiency. Within a collective this results in intensive searches for underutilized internal capabilities and their immediate mobilization. Collectives adopt a stricter position in cases of a violation of discipline or low productivity by individual members of the team. Greater demands are made on the enterprise management, on the quality of decision making, and on following through with commitments made to a team. We must try to expand as much as possible on this fundamental change in the position of work collectives.

### High Efficiency Necessary

The need to be more efficient applies also to the attention paid by senior managers at agricultural enterprises to monitoring, analyzing and managing their organizations. They must be particularly conscious of the development of planned production levels in relation to costs, to be sure that increases in production come as much as possible from improvements in production efficiency. Efficiency criteria must also be incorporated explicitly in internal enterprise plans. We must pay more attention to the relationship between actual costs and socially acceptable costs for specific agricultural products. We must be clear in all cases how we plan to improve the efficiency of the whole while improving production efficiency for a single product.

Senior managers must make themselves aware on a daily basis of utilization levels of both soil and capital assets, as well as the effectiveness of production utilization of both procured and internal materials, especially fodder, seeds and animals. Critical attention must be devoted to materials costs, because their share of total costs has been increasing annually. Other enterprises must follow the lead of the most efficient agricultural enterprises and use calculations and cost standards to get a handle on this area. In the Hodonin, Prostějov, and a number of other okreses orientational costs standards have been used for a number of years when formulating plans. Computer generated scenarios based on various plan standards for output, costs and managerial performance have recently become an important tool in the struggle for improved production efficiency.

To meet the demanding tasks for the Eighth 5-Year Plan, which mandate an increased contribution from the agricultural sector to national income formation, it will be necessary to provide more material resources to improve the efficiency of food production. The successful execution of this critical task will be possible only through the concurrent implementation of measures in primary agricultural production, the processing industry, the supply sectors, and in biological and technical service organizations. In primary agricultural

production we must first of all introduce the efficient management of available production resources. Effective management does not mean cutting corners in inappropriate areas. An absolute reduction in costs more often than not indicates too radical an approach to a problem.

Such shortsighted "conservation" measures include, for instance, reductions in purchases of artificial fertilizers. The nutrients taken from the soil by high per hectare yields must in any event be replaced and this can only be done by applying new nutrients. There is no way to shortage nature. But it also does not mean that there is no need to make better use of existing fertilizer stocks. The top priority must be to reduce losses all along the food chain, a systematic approach to increasing yields and the useability of livestock.

We must be more bold in exploring and implementing new, less material and energy intensive procedures, and in making appropriate changes in existing agricultural systems. We must be more thorough in dealing with long-term shortcomings in the structure and quality of deliveries of production requirements for agriculture and the food processing industry. Suppliers of capital assets and equipment are exerting an ever increasing influence on the efficiency of the food processing industry through the use values, quality, materials and energy intensiveness, and pricing of their products. One of the most complicated tasks in the Eighth 5-Year Plan is the reduction in the capital, investment and materials intensiveness of agricultural output. This is the first time in our history that we have undertaken such a task. In the past capital asset efficiency has always declined over time. In the past 5-year plan we only succeeded in reducing the rate of decline. Obviously, all levels of the agro-industrial complex must participate in achieving this goal.

#### First Steps Already Taken

The first steps in executing the resolutions of the 17th Congress and fulfilling the tasks of the Eighth 5-Year Plan have been taken this year. The process of intensifying livestock production continues. In comparison with the same period last year there has been an increase in the useability of economic animals. Improvements in the intensity of livestock production have come about mainly through more effective utilization of fodder. The current level of livestock production is reflected positively in the smooth fulfillment of procurement targets for all major livestock products.

Performance in the area of plant production was negatively affected by unfavorable weather conditions. Grain production is at a level somewhat below that of the previous 5-year plan. This translates, however, into a 600,000 ton shortfall under planned levels for the current 5-year plan.

Production targets will not be met for several other crops. The current year has brought with it reminders that specific agricultural enterprises continue to experience subjective shortcomings in the extent to which they are able to take advantage of internal underutilized capacities. These situations have played a role in the lower than projected harvests of some crops.

These shortcomings, however, cannot be allowed to influence livestock production levels. Managerial offices and agricultural enterprises took a number of specific steps to assure that smaller than projected grain harvests would not affect livestock production. These included an increase in the production of air-dried hay, harvesting appropriate stands of corn as grain rather than for silage, increasing sowings of winter grain crops while cutting back fodder crops, and making more effective use of both bulk and concentrated fodders. The effectiveness of these measures, however, will depend on the thoroughness with which they are implemented at all levels of the affected enterprises. In any event, we will have to draw on reserves from previous years to meet our fodder needs for the current year.

The first year of the Eighth 5-Year Plan, then, shows how vital it is for stable agricultural production to manage fodder reserves effectively. Managers in the agricultural sector must develop a better mechanism for implementing the fodder independence policy in specific agricultural enterprises. The current practice of making allocations from a central fodder stock has clearly shown itself to be inadequate.

In implementing the objectives of party agricultural policy we have had some success in instilling a socialist consciousness among employees of the agro-food complex. This is evident in the political and working attitudes of most of these people and from their unambiguous support of party policy. The way that certain seasonal work has been conducted and the efforts made to meet the objectives of this year's plan all attest to the overall commitment to implementing the resolutions of the 17th Congress. This is not to say that no shortcomings and weaknesses remain in this area. Quite the contrary. Our people retain many incorrect attitudes, many of which result from a failure to comprehend the foundations of the current stage of development both of our society as a whole and the agricultural sector in particular.

It is therefore essential in interpreting and implementing congress resolutions to work also to form the socialist consciousness of our workers. We must develop techniques and forms of party work that are appropriate to the demanding tasks in the development of food production and the functioning of the management system. Congress tasks in the area of agricultural policy must be executed through daily mass political work within work collectives, through committed development of initiatives, consistent personnel work, and sophisticated application of the right to party controls and inspections.

Communists must focus their attention on such pressing issues as the quality of internal enterprise management, the effective functioning of economic mechanisms on work collectives, introducing performance based compensation systems, implementation of khozraschet, team forms of work organization and compensation, practical application of R&D results, improvement of labor and technological discipline, expansion of internal cooperative democracy, and popular participation in management and administration. We must be more resolute in resisting efforts to assume responsibility for communists working in state and managerial functions and to begin to assure certain production tasks that formerly were handled by a state plan directive with party resolutions instead.

The quality requirements of the current stage of food production place much higher demands on the politico-organizational and managerial work of party offices and organizations as well as on all levels of management. New objectives cannot be met using outmoded attitudes, techniques and means. This is true of all other sectors as well.



ECONOMY

CZECHOSLOVAKIA

ARTICLE VIEWS INVESTMENT IN USSR NATURAL GAS

Prague HOSPODARSKE NOVINY in Czech No 43, 1986 p 2

[Article by Frantisek Antene, employee of the CPCZ Central Committee:  
"Natural Gas from the USSR"]

[Text] For many years, securing necessary fuel and energy sources has been one of the most difficult questions not only for Czechoslovakia but also for all industrialized countries in the world. Our society has devoted considerable resources to the maximum utilization of coal, primarily and also nuclear energy, where we have important future capabilities. However, the status of our exploitable coal reserves and the outlook for improving ecological conditions do not permit us to aim for growth in coal mining. On the contrary, we must gradually reduce it somewhat in keeping with the conclusions of the 17th CPCZ Congress.

Therefore in December of last year in Moscow we signed an important document on cooperation between the CSSR and the USSR for exploiting the Yamburg natural gas field in western Siberia and constructing the long-distance gas pipeline Progress [Yamburg is on the western borders of the USSR], as well as petroleum and gas facilities in the Caspian lowlands. On the basis of this agreement, we can double the current deliveries of natural gas after the year 2000. This is an important step in fulfilling our extensive plans for the gasification of the Czechoslovak economy, but it is primarily a solution to the burning questions of long-range fuel and energy accounts.

The signing of this agreement is advantageous for the CSSR in that we have an opportunity, as in the past, to achieve the necessary growth in natural gas by direct participation in constructing new gas installations in the USSR. We would not be able to pay for the large volume of imports we require by exporting our own products.

For example, we have so far earned 17.6 billion cubic meters of Soviet natural gas. It will be delivered from 1979 to 1985 at an average of 2.5 billion cubic meters annually for our participation in constructing the Soyuz gas pipeline from Orenburg through the western part of the Soviet Union to our station in Velke Kapusany, including the construction of repair bases in Uzhgorod and Kamyshin. Similarly, for our concurrent share in the construction, which amounts to roughly 2 billion convertible rubles, we are to receive 1.2 billion

cubic meters of natural gas starting in 1989 gradually increasing to 5 billion cubic meters in the last years of the Ninth 5-Year Plan.

Czechoslovakia and other CMEA countries will share in the exploitation of the new natural gas fields by constructing the gas pipeline also called Progress, from Yamburg to the western boundaries of the USSR. It is almost 5,000 km long with 40 compressor stations and a gas chemical complex for exploiting natural gas from the Karachaganak field near the town of Aksay in the Kazakh Soviet Socialist Republic. It is about 2,700 km from our borders by air and lies roughly 250 km southwest of Orenburg.

This is an extensive construction project which includes 3,600 furnished housing units, several bases for Soviet drillers, wastewater treatment plants, a plant for repairing Tatra vehicles, and other construction. The volume of construction assembly work and deliveries and materiel totals 664 million rubles. The majority of this, however, 540 million rubles, represents construction assembly work which must be completed by the end of 1994.

Progress will become the first Soviet export gas pipeline which begins beyond the Arctic Circle. Czechoslovak enterprises, however, will take part in the construction only in the European part of the USSR which will consist of a 360-km line section to be completed in 1988, 220 km by the end of 1990, putting eight compressor stations into operation, housing and furnishings in 1988-1991, and expansion of the central repair plants in Uzhgorod and Kamyshin by 1990. The construction project site is in Ivano-Frankovsk, which is about 208 kilometers from the Czechoslovakian border by air. Despite the advantages of the short distance, this will be a very demanding construction project in crossing the Carpathian mountains. Our organization has not yet worked under such conditions.

The construction of the Progress mainline gas pipeline and other gas facilities and installations in the Soviet Union is the largest integrated activity by CMEA countries in terms of its importance, scope, and technical and organizational demands. It is only through the experts pooled financial resources and technical and organizational knowledge and the self-sacrifice of all participating workers that it is possible in the short time necessary to perform such a gigantic work whose importance extends far into the next millenium.

We must do everything required so that the Czechoslovakian organizations prove themselves in the construction of integrated projects in the Soviet Union and deliver high quality work in the required timeframe. Whether we will be able to get the increased supplies of natural gas that our national economy needs within the planned schedule will depend mainly on this.

It is a matter primarily of highly demanding organizational and management work. Indeed, more than 50 Czechoslovakian organizations will take part in construction of the gasworks installation and associated construction. As early as next year more than 10,000 of our citizens will be employed at distant worksites. This number will grow in the following years to 12,000-13,000 workers, technicians, and other personnel. There are currently over 1,500 of our workers at the construction sites.

It seems, however, that we have not been able to draw the appropriate lessons for a successful operation from the construction of the Orensburg gas pipeline, even though it was about four times smaller in size. A number of deficiencies showed up both in the actual construction in the Soviet Union and in carrying out the duties of the Czechoslovakian organizations at home. Everyone became aware only very slowly, mainly in the management of the organizations, just how important and politically significant an activity for Czechoslovakian construction in the USSR is and that its demanding nature requires above all nontraditional approaches, rapid decisionmaking, and ensuring that all necessary deliveries are made and necessary work done.

The special importance of this construction requires that both the party agencies and the party organizations of the participating enterprises take control of our duties. Special attention must be paid to the selection of people so that they will form collectives at all construction site locations which will be able to take care of all problems. Indeed, the important successes in work on the Soyuz gas pipeline construction was to a large degree a result of the enthusiasm of the Czechoslovakian workers who considered the construction a matter of their honor and national prestige.

The demanding nature of the current construction in the USSR and the schedule for completing it will require such people. It will be necessary to place great emphasis on mass political activities, on directing initiative and socialist competition, on the quality of supplies and reducing the time for deliveries, and on all work in general. Each day that the construction schedule is reduced is of great value to our economy.

All this also requires, however, that we select experienced officials for work in the Soviet Union who will guarantee that we master extraordinarily demanding political work in party, trade union, and youth offices. Territorial political agencies must also pay attention to the selection of workers to be sent to the Soviet Union from that viewpoint as well.

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ECONOMY

HUNGARY

FIRST THREE QUARTERS' FOREIGN TRADE RESULTS VIEWED

Budapest FIGYELO in Hungarian No 43, 23 Oct 86 p 9.

[Article by Barnabas Nemeth: "The First Three Quarters in Foreign Trade"]

[Text] After the stagnation at the beginning of this year, Hungary's ruble-denominated commodity trade gradually accelerated, approaching its planned growth rate by the end of September. Measured in terms of foreign exchange, import expanded by nearly 7 percent during the first three quarters as compared with the same period last year; and export, by 4 percent. In terms of physical volume, the expansion was 3 percent in export, and more than 5 percent in import. The slight deficit in our balance of trade so far is in accord with our balance-of-payments objectives.

Computed in dollars, our hard-currency import was 19 percent higher, and our export 2 percent higher, than in the same period last year. In physical volume, our import expanded by 6 percent, and our export fell slightly below last year's figure. The import surplus that arose accounts for about 6 or 7 percent of commodity trade and is thus substantially higher than the deficit in the same period last year. Due to the dynamic expansion of import, the prospects of a trade surplus for the year have diminished considerably.

In ruble-denominated trade, the results of the intergovernmental negotiations for 1986-1990 already indicated the changes stemming from the socialist countries' structural shifts and quality requirements. The commodity structure's proportions that evolved under the preceding plan period, and which had practically become traditional in some areas, could not be maintained unaltered, not even in the socialist countries' mutual trade. The mutual requirements regarding better quality, more modern technology, esthetically more appealing packaging, and a wider assortment are rising rapidly. At the same time, most socialist countries are burdened with servicing their hard-currency debt, and confronted with the task of expanding their nonruble-denominated export to attain a trade surplus. In comparison with years past, therefore, there is less opportunity for the accustomed dynamic expansion of mutual trade.

Stagnating Machinery Import in Ruble-Denominated Trade

The slow running-in typical of the first year in every five-year period was noticeable also in trade during the first half of this year. But this trend

changed significantly by midyear and especially by the third quarter. After stagnating in the first months of the year, import expanded by 13 percent in September.

Among the commodities imported from socialist countries, the imports of materials and parts, and of industrial consumer goods, rose the most significantly. In comparison with last year, we imported 12,000 metric tons more of aluminum, 3,000 metric tons more of copper products, 585 million cubic meters more of natural gas, and about 10,000 more cars. Other increases of imports included: coke, by 150,000 metric tons; fuel oils, by 14,000 metric tons; wall tiles, by 74,000 square meters; and soft lumber, by 200,000 cubic meters. But the total import of machinery barely reached last year's level.

In ruble-denominated export, the intergovernmental agreements call for a significant expansion of the export of farm and food products, in conjunction with the growing import of sources of energy. This is reflected also in the trade turnover for the first three quarters: within Hungary's total export, the agricultural sector's export increased by 13 percent. In spite of this, machinery retained its 45-percent share in the commodity structure of export.

The export of farm and food products to the Soviet Union expanded by about 30 percent. This includes the following increases in exports: meat, fresh, chilled or frozen, 25,000 metric tons; slaughter poultry, 40,000 metric tons; and grain, 220,000 metric tons. Due to the shifts in Soviet demand, the export of barreled wine dropped to half of its former volume.

Within our hard-currency import, computed in dollars, imports of machinery rose by 45 percent; of industrial consumer goods, by 33 percent; of farm and food products, by 22 percent; and of materials and parts, by 16 percent. Due to the milder winter, better stockpiling and increasing deliveries from socialist countries, we needed less nonruble-denominated import of energy sources. The dynamic expansion of machinery import was associated with the enterprises' increasing investments, a significant proportion of which were financed with World Bank credits.

The import of parts rose by about 35 percent, and the enterprises used this import mostly to maintain the technical level of their production equipment. The substantial expansion of the import of industrial consumer goods significantly improved the population's supply and alleviated industry's task of producing for domestic consumption. This development has been made possible by the expansion of trade with China, and by the spreading of countertrade deals. Due to the frost damage last year, it was necessary to import a considerable volume of hides.

To improve the quality of livestock feed, the import of protein feed rose over last year. But the sharp rise in the world-market price of coffee beans was the single factor that contributed relatively the most toward the rise of food-industry import in value terms. While the coffee import did not increase in physical terms, its value nearly doubled, rising by about 35 million dollars.

## Chemicals, After Farm and Food Products

Deliveries for export denominated in hard currency showed considerable fluctuation during the year. We were only partially successful in substituting exports from other commodity groups for the decline in farm and food-industry export caused mostly by price- and stock-related problems, and for the decline that falling crude oil prices caused primarily in the chemical industry's export. Our ability to expand by 18 percent our dollar-denominated machinery export was a favorable development, as was the fact that we shipped half of this increase to the markets of advanced capitalist countries. There was a substantial rise of about 28 percent in the export of industrial consumer goods, primarily as a result of the spreading of barter deals. The prices of, and demand for, aluminum products recovered strongly. There was a nearly 30-percent expansion in exports of, respectively, light sources and pharmaceuticals.

The falling world-market prices of crude oil are having an exceptionally severe impact on the chemical industry's performance. The following is an illustrative example: Despite a 15 percent rise in the physical volume of the export of refined petroleum products, the enterprises' export earnings in dollars are 25 percent lower. In the market for N fertilizers, both the prices and the demand have fallen considerably, while the Hungarian economy has a considerable surplus in this commodity group.

Declining prices have been plaguing agriculture and the food industry for years, and this year is again no exception. However, some improvement is also noticeable in the prices of certain commodities, e.g., beef, canned ham, canned fruit and vegetables, slaughter sheep, slaughter poultry, and pork. But in many instances the enterprises were unable to utilize these opportunities, due to inadequate stocks for export. The drought that affected orchard crops and especially small grains has seriously limited the export opportunities this year and in the first half of next year as well.

The foreign-market trends adversely affecting the planned commodity trade emerged already in the first months of this year and will have an ever-greater impact on the economy's performance during the remaining months of the year as well.

We must mention first and foremost the unexpected extent and suddenness of the drop in crude oil prices. As a direct result, the prices of, and demand for, primary and secondary petroleum products--their weight within Hungary's export structure is considerable--have fallen drastically. The indirect effect of the drop in oil prices is twofold. First, falling oil revenues have compelled the developing petroleum-exporting countries to curtail their investments; their liquidity has worsened further, setting back the exports of many Hungarian enterprises. This applies primarily to engineering products, foreseeably in the remaining months of this year and to an increasing extent next year. Secondly, because of the drop in energy prices, the market is accepting lower costs in the prices of finished products, especially of energy-intensive ones; and this further worsens our competitiveness. To offset this, during the year the government has reduced in two stages the domestic producer prices of energy sources derived from crude oil.

The other fundamental factor in the world economy is the dollar's devaluation relative to the currencies of Western Europe. That a dollar now buys not quite DM2.00, as compared with DM3.40 last year, clearly illustrates this. A problem arises because the prices in national currencies have also fallen, but not commensurately with the dollar's exchange rate.

#### Consequences of Changes in Exchange Rates

The loss for the Hungarian economy stems mainly from the fact that, on the basis of our established trade relations, the proportion of trade denominated in dollars averages 50 percent in export, but 30 percent in import. From this there follow several conclusions and consequences. Thus it is easy to see that the slight expansion of our hard-currency export, computed in dollars, reflects merely the new exchange rate, and not an improvement in the economy's performance. But this exchange-rate effect was unable to offset the effects of the losses resulting from lower export prices, and of the shortage of stocks available for export. At the same time, the changing cross rates burdened far more the enterprises wanting to import, and the entire national economy's import bill.

According to preliminary computations, two-thirds of the substantially higher-than-planned capitalist import during the first nine months of this year can be attributed to changes in exchange rates; and only one-third, to additional demand. At the same time, the import in excess of the plan was a result of a process that has been going on for several years. The curtailment of investment for years had created a pent-up demand for machinery on development projects, and the need to renovate the worn-out stock of machinery has also made supplying the additional demand essential. The pressure of this demand has manifested itself cumulatively this year.

Because of these two world-economic phenomena, the government has been striving since the beginning of the year to aid the enterprises' operations, with extensive economy-organizing measures. The primary aim of this activity has been the restoration of the set of economic conditions. Among these measures, the system of competing to export that was introduced at the beginning of the year deserves special mention. Its advocates pointed out already then that this type of incentive system was a supplementary instrument for stimulating longer-term structural changes and the expansion of hard-currency export, but significant additional results could nevertheless be expected of it already this year.

It will be worthwhile to single out a few of the economic processes characteristic of the year to date. It is unquestionably a favorable result that, in the world economic situation outlined above, manufacturing has been able to improve its share of export and absolute export performance. It is especially gratifying that engineering and light industry have been able to increase their sales in the markets of advanced capitalist countries. But to this we have to add that the expansion of export measured in dollars has been achieved mostly in our traditional Western European markets, and that the mentioned exchange-rate trends have also played a role in this. Among the results we should include our ability to take advantage of the improving market conditions in certain commodity groups (for example: pharmaceuticals, aluminum products, PVC powder, canned goods, etc.).

In our analysis of the negative trends we are obliged to establish that, regrettably, most of them are nothing new: they are symptoms that have long been typical of the Hungarian economy, and some of them have intensified this year. We must point out first of all the fact that domestic spending of produced national income, primarily consumption, exceeds the planned growth rate, despite the slower creation of resources and failure to achieve the planned growth of production. The commodity structure has improved because of the conditions in foreign markets, but the efficiency of hard-currency export has continued to worsen this year, after its decline last year.

Within export, which is slightly higher than last year, the proportion of direct export has declined, and the result has been achieved only with the help of various countertrade deals, which have also contributed to the further rise of import intensity since last year. Thus the task of achieving a surplus in our balance of trade is becoming more and more difficult. The fact that we have been unable to improve the situation in the service industries, regarding domestic cooperational relations, adds to the economy's import intensity. Because of the changes in supply and demand, many enterprises--contrary to their intentions expressed earlier--are backing out from accepting delivery of a substantial volume of imports from socialist countries, mainly machinery and consumer goods. This simultaneously reduces the quantity of goods that can be exported to ruble-denominated markets, increasing thereby the pressure on hard-currency import. This year the import of industrial consumer goods has increased further, which has improved the population's supply but has simultaneously diverted substantial resources from technology import, for example.

All this having been said, the question now arises as to how adequate is the performance to date, and what are the prospects of improving the results during the remaining months of this year. In summary we may now venture to say that, with the economy-organizing measures, we have been able to offset only partially the effects of the unfavorable external and domestic factors which, we might add, were not anticipated at the time of preparing the plan. The planned level of export seems attainable but will not be enough to pay for the increased import. If the Hungarian economy runs true to form and succeeds also this year in changing the balance during the fourth quarter, that will significantly enhance the prospects of development next year, not to mention the Hungarian economy's international reputation.

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ECONOMY

ROMANIA

# PROBLEMS IN ACHIEVING INTENSIVE GROWTH OF ECONOMY

Bucharest ERA SOCIALISTA in Romanian No 14, 25 Jul 86 pp 10-13

[Article by Dr Aurel Iancu, deputy scientific director, Institute of Industrial Economics: "More Intensive Growth of the Romanian Economy in the Current Five-Year Plan"]

[Text] The historic Ninth RCP Congress 21 years ago was an event with many implications for national socioeconomic progress and the entire evolution of Romanian society. With Party General Secretary Nicolae Ceausescu's telling contribution a new and revolutionary conception of the development of Romania's national economy and of all its social activities was defined and applied in the following period. Financial, material and manpower resources were mobilized to the maximum by means of high rates of accumulation out of the national income for the socioeconomic development fund. The resources were concentrated on construction of big industrial, agricultural and transport capacities and on consolidation and modernization of the productive forces and the national technical-material base. Most cities were rapidly and in many cases completely renovated and all counties were industrially developed. Thanks to consistent application of the industrialization policy over the years, a complete economy was formed and developed in keeping with the requirements for better application of the available resources and of the current technical-scientific revolution, for consolidation of national independence and sovereignty, and for Romania's increasingly active participation in worldwide circulation of material and cultural values.

In view of the nature of the national economy's previous development and the need of structural changes in it to meet the new trends in technical progress, including emphasis upon all qualitative aspects, the party general secretary pointed out to the 13th RCP Congress the need of shifting from the phase of extensive development to a predominantly intensive one. This shift is of vital importance.

Intensive economic development is no minor stage of a fortuitous nature in a society's progress. It is a real turning point in an economy's evolution, with profound effects upon the development of the national socioeconomic structure and its reform. Intensive growth is a stage of economic development that will

inevitably be reached sooner or later by any economy that is being modernized and has reached a certain degree of maturity in its infrastructures, per capita volume of basic products, and technical equipment of labor and structures according to sectors and subsectors.

In general the extensive development of the Romanian economy has corresponded to the stage of industrialization that we may call the dynamic-quantitative one, wherein major investment funds were allocated to construction and activation of a great many new economic capacities, resulting in high growth rates of fixed productive capital as well as formation and rapid development of the basic industrial sectors, attraction of large numbers of the labor force to the new sectors who were insufficiently used or released from agriculture, economic circulation and consumption of increasing quantities of energy resources and raw materials to increase production, and formation and development of a technological structure suited to the conditions in the respective stage.

The increased volume of primary factors for production brought about a major economic potential that was reflected in the appearance and development of new sectors and subsectors, rapid growth and diversification of production, assimilation of increasingly complex and highly technical products, a high level of technical equipment of labor, etc. But continued quantitative development of the primary production factors gradually reaches certain physical and especially economic limits, so that expanding the sectors by multiplying new capacities would mean enhancing the means of labor, the labor force and consumption of raw materials and energy only quantitatively or largely quantitatively and would accordingly require additional efforts with no commensurate results in effectiveness. This would affect the growth rate of the national income and ultimately the public's living standard itself. It should also be noted that in the Romanian economy as in others new social-cultural structures as well as new structures of demand for goods and services have appeared that must be dealt with and allowed for in directing economic development and allocation of resources.

These trends, to say nothing of others, reveal the appearance of objective requirements and conditions for transition to another, higher stage of economic development based on the increased contribution of the qualitative factors, which accordingly lend the growth of the productive forces a largely qualitative character, which is the stage of intensive development. The situation is much more complicated in this new stage than in the previous one because of the many new social, organizational and technological problems, the extent and depth to which the economic processes must be readjusted to the new conditions, and the higher quality of the productive equipment, which particularly requires a greater creative contribution from the working personnel, highly complex methods and techniques, and an adequate economic mechanism that can help to regenerate the growth potential and expedite socioeconomic progress.

These circumstances alter the economic requirements themselves. In order to enhance the Romanian economy's growth potential under intensive and readily adaptable qualitative development, a number of basic requirements must be borne in mind that are specially emphasized in the documents of the 13th RCP Congress and in those approved by the Plenum of the RCP Central Committee of June 1986 that were in Nicolae Ceausescu's masterly speeches. As the party general secretary said in his speech at the Plenum of the National Workers Council and the

Supreme Council for Economic and Social Development in June 1986, "The approved plans and programs mark the transition to intensive development of industry, agriculture and all activities and the attainment of a new quality of the entire people's work and life. Accordingly we must work in all sectors and units for complete, maximal use of the material and technical resources, production capacities, personnel, highly skilled workers, scientists and all that is better in Romanian society in order to keep achieving the aim of intensive development, which is vitally important to Romania's advance toward communism."

#### New Directions of Economic Growth

The models of economic growth used to project the various courses of that process are based primarily on the principle of rationalized correlation of accumulation with consumption in the light of the evolution of the labor force and of technical progress. But in economic practice and especially in the stage of intensive development, projection of the various directions of growth is based on a much broader complex of processes characterized by the simultaneous action of a great many quantitative and especially qualitative factors in close interdependence and rapid change. Therefore various processes, phenomena and factors determining the quantity, quality and adaptability of the economic structures have to be considered in this stage, such as the following: (a) varying absorption of some quantities of raw materials and energy per unit of output, (b) ability of the economy to increase production differently because of variation in the preference for various qualitative factors and for purposes of flexible adjustment of the production structure to the demand structure, (c) ability of the economy to adjust to changes in the world market, and (d) varying speed with which the labor resources, investments in fixed capital, raw materials and energy can be efficiently reallocated in the new directions of economic growth.

A structural change to reduce the inputs of raw materials and energy per unit of national income calls for exploitation of the qualitative factors. Essentially, that means increasing labor productivity and the effectiveness of the productive capital and decreasing consumption of resources. This is a new view of economic growth that naturally conflicts with the traditional models based entirely or almost entirely upon the quantitative factors.

The new stage of gradual consolidation and development of the Romanian economy requires changes both in the economy as a whole and within its components. On the principle of interaction, in the course of this change each element is geared with the others and acts upon them with varying intensities depending on its nature and its role and position in the overall economic system. The investments in technical progress are an important element with a special role in the stage of intensive development when the aims of qualitative, rapidly adaptable industrialization are being accomplished.

Being intended and implemented to meet the new requirements, investments can help to bring about better performances by accentuating the growth potential by renovating and modernizing worn and obsolete fixed capital, introducing new and highly efficient technologies conserving energy, raw materials and manpower, and improving the production structure by assimilating such highly technical quality products as those of the subsectors promoting or proliferating technical progress in the economy, namely precision machinery, electronics, industrial robots, data processing and fine and low-tonnage chemistry.

In the present state of the Romanian economy's development, the main emphasis is upon increasing the productive factors' contribution to economic growth. Clearly a system operates efficiently and develops if it has its own potential and can be regenerated. It may be said about the economic system that a number of countries that have continued to rely primarily upon extensive development, although they have the requirements and objective conditions for effective transition to a new stage of development, have lost in rates of growth and effectiveness, meaning that the energy of the system in terms of its growth potential has fallen off.

In the new, intensive stage the primary and traditional productive factors (manpower, raw materials, energy and productive capital) can no longer provide the previous growth because it is no longer possible to increase them as in the previous stage. The population employed in certain sectors can no longer be increased by redistribution of the labor force (as for example from agriculture to industry) but only as part of the natural population growth for the most part. The additional quantities of raw materials and energy that would be placed in economic circulation are generally more and more expensive and restrictive. Moreover the accumulation rates, in terms of investments in development, are limited by the need of raising the living standard.

In the Romanian economy's present stage of intensive development the RCP and its general secretary believe that economic growth should not be obtained through quantitative increases in the primary factors but through their greater productivity and pronounced gains in labor productivity and in effectiveness of the investments, fixed capital and use of raw materials and energy. In view of the need of enhancing the national economy's growth potential in the new stage, the Five-Year Plan for Romania's Socioeconomic Development for the 1986-1990 Period, drafted in accordance with the Directives of the 13th RCP Congress, and the special programs for fields and sectors of activity concentrate efforts on acceleration of the qualitative factors, efficiency and competitiveness.

The provision that over 90 percent of the gain in national income will be obtained from increased social labor productivity, with a 30\*percent cut in energy consumption per unit of national income, is important to the predominant contribution that the intensive factors are to make during this five-year plan. The industrial output is to be increased through greater labor productivity entirely. According to the calculations the volume of social labor to be saved by the planned gain in labor productivity in 1990 over 1985 for the whole economy will be equivalent to a relative saving of about 2.6 million personnel.

It is vital in the stage of intensive economic growth to base the entire productive system (productive factors and economic mechanism) permanently upon modern technology. This is accomplished by extensive promotion of innovation in production and services, by bringing the qualifications of the labor force up to new standards of technical progress, by modernizing the fixed capital and introducing highly efficient technologies, by improving the quality and physical and chemical properties of the raw materials and replacing scarce resources with other, abundant or synthetic ones, by modernizing the economic mechanism and making it as flexible as possible, and by organizing production and labor scientifically.

\*Approximately.

## Trends in Technical Progress and Their Effect Upon Economic Growth

A particularly difficult and complicated question about increasing the qualitative factors' contribution to economic growth is how to resolve the contradiction between the pronounced flexibility demanded by current technical progress, which is of unprecedented depth and scope and requires rapid and radical change of the whole productive system and the production structure as well, and the inertia of the components of the productive system due to their general tendency to reproduce their characteristics formed in the course of their evolution in the preceding period.

Technical progress is applied to all socioeconomic activities, beginning with the productive system. In the last few decades the spectacularly rapid and extensive changes in technology have made major structural changes in production, with notable socioeconomic effects. They were brought about in particular by the production and use of synthetic materials and the development of microelectronics, automation and data processing. Their spread in the economies with high economic and technological potentials resulted in a massive and very rapid restructuring of the productive system, which in its turn is making extensive changes in the industrial and agricultural production structures, in services and in the social-occupational structures. These changes are basic to the shift to a new long-term economic cycle which, generally speaking, was effectively and extensively started in Romania when it entered the stage of intensive development.

Any economy confronted with such changes contains some forces that make it difficult to meet the requirements of this stage, including the productive system itself. There are many reasons for inertia, which are peculiar to each component of the system. The fixed capital retains its particular structure and effectiveness of social production throughout its lifetime, from activation to retirement. The inertia of the fixed capital is further aggravated to a great extent by the long cycle from research and design to construction of the capacity, improper use of the production capacities, and delayed retirement of worn fixed capital. The raw material and energy resources and their qualitative characteristics also tend to maintain the inertia of the productive system. Moreover the labor force, structured for extensive development, may gradually become a factor for inertia in the productive system because the structural "refreshment" of the labor force with the young generations does not amount to more than 1.5-2 percent of the employed population, and because the qualifications, especially of the older generations, may be by force of circumstance outmoded by the new technologies. Concentration of the labor force in large economic units characteristic of extensive development may also obstruct restructuring of production at times, especially in case of reassignment of the labor force to new work places, providing housing in other districts or localities, transportation of the labor force, etc.

In view of the need of accentuating the intensive factors in the Romanian economy's development and of creating the best conditions for their operation including elimination of some negative factors for inertia, the documents of the Plenum of the RCP Central Committee in June 1986 instituted a number of practical measures to expedite adjustment of the productive system to the new trends in technological progress. Pursuant to the Directives of the 13th RCP Congress and Nicolae Ceausescu's directions, both the Five-Year Plan for 1986-1990 and the Program for Modernization and Improved Organization of Production call for

reorganization of the manufacturing flows so as to reduce shipments of materials and semifinished and finished products, simplify interplant cooperation, integrate interstage and final control in the manufacturing process, and redesign the products in order to improve their technical and qualitative performances, while improving the technologies, reducing consumption of raw materials and energy, etc.

The capacities for research, technological development and technical progress are an important part of the current five-year plan. Over 8,000 main capacities are planned, and over 6,400 of them will go into production even during the current five-year plan. They are primarily intended to develop the energy and raw material base, to make better use of production resources, to lower the inputs of materials, fuel and energy, to renovate the products by considerably improving their quality, to modernize agriculture, and to make pronounced gains in labor productivity and the nation's export capacity.

The concerted effort to adjust the production system to the new trends in technical progress is also to be seen in the provisions for the changes to be made in all economic sectors particularly as a result of integration of the advances of electronics and robotics in production. Accordingly the highest growth rates during the current five-year plan will be logged by production of industrial and professional electronic equipment, electronic components, precision machinery and robots. Of course measures must be taken, on the one hand, to considerably lower the cost of electronic products and robotizing equipment in order to make them available and justified from the standpoint of economic effectiveness, while on the other hand the sectors using them must increase their technical inventive efforts in order to enhance the attempts to find appropriate methods of incorporating microelectronics and robots in their manufacturing processes.

The results of economic activity show that inertia can also be eliminated from the production system in other ways, such as shortening the regulation periods of operation of some categories of labor means and especially of those in the sectors with great flexibility in technical progress; adopting a suitable personnel training and retraining system by recruiting a broader professional staff in various trades and specialties; teaching a second trade, and periodic occupational retraining of working personnel of all categories, trades and ages. In Romania such courses of action have been set in a number of party and state documents and in the decisions and laws ratified in the last few years.

#### Role of the Economic-Financial Mechanism in Intensive Development

All the measures and actions to modernize and better organize the production processes, to promote new technology and to make more productive use of the production factors are too complicated to be taken in the present stage on the old, largely administrative principles without the active, responsible, organizational and economic and individual and collective input of the workers, or without close correlation of the individual and collective incomes with the economic results, and especially the qualitative ones, obtained at work.

As the party secretary general pointed out in his speech at the Plenum of the RCP Central Committee in June 1986, use of obsolete, outmoded elements of the economic mechanism or keeping them in operation conflicts with the objective

requirements of socioeconomic development and obstructs economic progress. Consequently intensive development by means of a pronounced increase in the qualitative factors contribution to economic growth is possible only if the economic mechanism is improved and consistently applied along with the principles of self-management and economic-financial self-administration.

The fact that in the new stage of development economic units showing regular losses due to defects in production and in management of their funds can no longer be supported by allocations out of the budget and/or economically unjustified credits is an essential factor in this regard. Nor can enterprises be subsidized any more out of the state budget that fail for various reasons to adjust to the domestic and foreign market demands rapidly, whether it is in the varieties of products and services offered, or their technical and qualitative levels, or the competitiveness of the products in terms of price per unit of performance. Clearly the practice of some enterprises logging regular losses of resorting to raising the prices of their products to make their activity profitable cannot be tolerated either. As the party documents point out, the enterprises must increase their efforts toward technological creativeness, improved organization, and strengthened order and discipline in order to lower their production costs.

Of course the principles of self-management and economic self-administration cannot be consistently implemented unless there is a corresponding improvement in planning and use of the economic levers and they are correctly applied. The most important problem in determining the enterprise plan under the present conditions is that of sales of the products. The production plan and, depending on it, the other sections of the plan must be based upon timely conclusion of the economic contracts.

In principle, the enterprises' production plans should always be summations of the obligations in the economic contracts concluded with the domestic and foreign beneficiary units. Unfortunately that planning method is not invariably followed, with some of the worst effects. Including production tasks in the plan that are not covered by orders and therefore with no assured sales of the products, tasks that are accepted, but only to make use of the production capacities in the hope that there will be possibilities of selling them later, sometimes has the economic consequence of drafting unrealistic plans whose execution leads to increased stockpiles of products and great losses to the enterprise and the national economy. It is clear that granting the respective enterprises credits under those circumstances only helps to increase the stockpiles of products and accordingly aggravates the situation even further.

Since various economic sectors show unwarranted immobilizations of material and financial resources, the Executive Political Committee of the RCP Central Committee has just approved measures for proper proportioning of the stockpile norms and standards for raw materials, materials, unfinished output and finished products and for limiting them to what is strictly necessary. In order to forestall the formation of surplus stockpiles and the resulting immobilization of material and financial resources, it was decided that henceforth raw materials and materials needed for production as well as the financial resources will be released only for products with sales assured by domestic and export contracts.

The Plenum of the RCP Central Committee sharply criticized those who tend to disregard the standards and principles for setting prices and reducing production costs. In order to put a stop to those tendencies and the ensuing defects, and to bring about the conditions essential to intensive economic development, measures were adopted to set the standards for consumption and effectiveness of fixed capital and to reflect them in the plan to reduce the outlays. Measures are also being taken to improve the system for planning costs, setting prices and strengthening order and discipline in that field. This is creating the objective conditions enabling every enterprise to concentrate on lowering production costs by reducing the inputs of raw materials and energy, modernizing production and raising the technical and qualitative levels of the products.

Consistent application of the principles of self-management and economic-financial self-administration requires an adjustment of the economic units to the evolution of the socioeconomic phenomena and to the new trends in technical progress, as well as use of some sensitive and efficient economic "sensors," so that the economic system will react promptly to the changes in endogenous and exogenous factors and adjust to them rapidly. And essentially that requires consistent implementation of the policies in the documents of the 13th Party Congress and in the Five-Year Plan for 1986-1990 and the objectives and directions formulated by Nicolae Ceausescu for the increasingly pronounced intensive, qualitative and highly efficient development of the Romanian national economy.

5186

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ECONOMY

ROMANIA

NEW TECHNOLOGIES FOR MERCHANT SHIP OPERATION, REPAIR DISCUSSED

Bucharest REVISTA TRANSPORTUTILOR SI TELECOMUNICATIILOR in Romanian Vol  
13 May 86 p 76

[Report on "Modern Technologies for Operation and Repair of Naval Equipment of Romania's Merchant Fleet" symposium]

[Text] The Center for Instruction and Training of workers of the Merchant Marine and the Maritime Fleet Operation Enterprise of Constanta under the coordination of the Naval Transportation Department within the framework of the Ministry of Transportation and Telecommunications organized during the period of 26-28 March 1986 in Constanta, a symposium with the following subject-matter: "Modern Technologies for Operation and Repair of the Naval Equipment of the Merchant Fleet of the Socialist Republic of Romania."

The proceedings of the symposium took place in general sessions and in four sections [as published], as follows:

- a. Naval Machines Section (twelve papers)
- b. Naval Installations Section (seven papers)
- c. Naval Electric Installations Section (six papers)

We are mentioning some papers presented:

- Information systems and methods of ship maintenance and technical operation;
- Application of metalization by pulverization in reconditioning the worn-out parts of naval installations;
- Modernization of naval air-conditioning installations and equipment, guarantee of comfort for our merchant fleet crew;
- Problems of installing electric and electronic equipment for ships undergoing repair at the Constanta Ship Building Enterprise;
- Correlation between fuels and lubricants used in semirapid diesel motors for ships;

--Results obtained in using Romanian additive oils in motors of merchant maritime fleet ships.

Over 100 specialists in production, research, design and higher education, specialists from directorates of organization and synthesis, such as the following, participated in the works of the symposium:

- the Department of Naval Transportation;
- the Braila, Orsova, Mangalia, Sulina Ship Yards;
- the Romanian ship Registry: Galati, Bucharest, Resita;
- the Constanta Ship Building Enterprise;
- the Constanta port operations enterprise;
- NAVROM [Romanian Maritime and River Navigation] Office in Constanta;
- the Bucharest Technological Research and Design Institute for Transportation;
- the National Thermal Motor Institute in Bucharest;
- the Center for Scientific Research and Technological Engineering for food equipment and installation and cooling technology in Cluj-Napoca;
- the Timisoara Polytechnical Institute;
- the Constanta Marine Institute;
- the Braila Heavy Equipment Enterprise;
- the Cluj-Napoca and Craiova Mechanical Enterprises for Rolling Stock;
- the Resita works, the Resita-Renk Company, etc.

The discussions related to the materials presented within the framework of the symposium represented a useful exchange of ideas among the specialists in the area of naval transportation and will result in the drawing up of programs which will aim at improving the technologies of operations, maintenance and repair of maritime ships.

The idea was also stressed that these exchanges of experiences should continue on a permanent basis and that discussions should center around more specific problems and areas.

/9738

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ECONOMY

YUGOSLAVIA

CAPITAL INVESTMENT STILL CONFINED WITHIN REPUBLIC BORDERS

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Sep 86 p 3

[Article by Gordana Buncic: "More Money Means Faster Finished Work; In the Investment Sector, Things are Done as Before for the Most Part"]

[Text] Territorial impenetrability continues to be a characteristic of our investment policies. For the most part, investments are made within the investor's republic or province. Inter-republic investments constitute only 0.35 percent of the total estimated value of all projects under construction. Fragmentation is the next characteristic of investments. Of the total number of investments, 70.6 percent are minor projects which involve 4.9 percent of the estimated value of investments. The situation with major investments is the exact opposite--4.9 percent of them account for 75.3 percent of the total estimated value of investments. Within the framework of this group, 93 projects account for 41.1 percent of the funds that have been set aside.

The largest number of projects under construction was started in 1982. It is significant that since 1985 the number of projects under construction has been increasing. During the 1978-1985 period it was decreasing. The Yugoslav Social Accounting Service explains that this is due to the fact that fewer of the projects that have been completed are reported as such.

Only the Five Large Ones

Such a conclusion was drawn from the fact that the number of newly started and completed projects has been approximately the same in past years. Since 1985, the difference has increased. According to 1985 data, the number of completed projects was slightly over 40 percent of the number of those that were started. Something similar happened during the first half of 1986. Along with irregular reporting, the fact that appropriate permits have not been done contributes to the large number of projects still counted as under construction.

During the first half of 1986, 3,030 projects were reported as completed. Only five of them have an estimated value in excess of 5 billion dinars. They are: the electric power plant "Kosovo B" in Obilic, the complex of petrochemical plants in Omisalj, the completion of the third phase of the

combine in Belisce, the non-ferrous sheet metal factory in Belisce, and the PVC powder factory in Kastel Sucurac. The group of the largest projects (with an estimated value of over 500 million dinars) included 511 projects which were engaged in activities that had an agreement for faster development.

The past six-month period did not go by without interruptions in the construction of 39 projects, 34 of which were in the area of business and 5 outside of it. The construction period lasts on average from 1-4 years. Fifty-five projects have been under construction for over a decade. The most expensive among them are: the nickel and antimony mine in Kavadarci, the surface excavation "Drmno" in Drmno, Tamnava in Istocno Polje, Stepojevac, and the expansion and rehabilitation of the zinc electrolysis plant in Titova Mitrovica.

The Soviet Accounting Service of Yugoslavia states that the economic structure of the estimated value of investments under construction does not give a completely realistic picture of the situation. For example, it is assumed that housing construction has increased. It is difficult to determine how accurate this assumption is because legal regulations affecting this area have not been coordinated. In Slovenia and Serbia proper there is no requirement to ensure funds and report housing construction to the Social Accounting Service. In other republics and provinces such requirements exist, but they are avoided with the excuse that the housing is being built for the market.

#### Structure and Sources of Funds

During the first half of the year 83.1 percent of all investments went for new projects, 13.5 for rehabilitation, modernization, additions and expansion, and 3.4 for preparatory work. In nominal terms the greatest increase in estimated value took place in construction, followed by trade and transportation. The lowest growth was noted in industry, mining, and handicrafts. The largest number of projects is being built in Serbia proper (35.2 percent).

Of the 22,899 projects under construction, 26.4 percent fall into categories that are to be developed more quickly according to the Social Plan of Yugoslavia. For the most part these are energy-related projects or, to be more specific, electrical energy projects. Overruns were recorded in 36.6 percent of the projects. Investors report only those overruns for which funds have been secured. Construction costs have gone up 64 percent over what was originally planned because of rising prices. Most overruns are in business projects, chiefly industry and mining. More specifically, 63 percent of overruns occur in projects dealing with activities in which there is an agreement for faster development.

Ninety-nine percent of funds necessary to finance all investments, including overruns, have been secured. Their makeup is somewhat more favorable than in the years past. Even though they still dominate, the percentage taken up by loans has decreased, while the portion provided by associated funds has increased. The part provided by the enterprises' own funds and the percentage of their future income have decreased.

This overall assessment changes somewhat if one looks at the situation in the economy and outside it. Loans account for 41.1 percent, and the enterprises' own funds for 22 percent of the funds for business projects. Non-business entities' own funds account for 27.5 percent of their investments, while 7.9 percent comes from loans and 64.6 from other sources. Financing is even more unfavorable for projects in areas in which there is an agreement for faster development -- loans account for 45.6 percent, and the entities' own funds for 18.5 percent. Naturally, loans account for most of the financing of the most expensive projects.

In the first half of the year, it was not possible to secure sufficient funds to finance 128 projects. Most of them are in the business sector, including projects in areas in which there is an agreement for faster development. In geographic terms, the lack of funds is felt most acutely in Macedonia -- 27 billion, and in Slovenia -- 13.8 billion.

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ECONOMY

YUGOSLAVIA

NATIONAL BANK OFFICIAL DISCUSSES TRANSFORMING BANKING SYSTEM

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 20-22 Sep 86 p 2

[Interview with Petar Milanovic, higher counselor in the National Bank of Yugoslavia, by Katarina Sekulic: "A General Transformation Is Necessary: Dark Spots of Transfers," date and place not given]

[Text] "Since the accounting and banking systems have acted in a destabilizing manner in the entire post-constitutional period, I feel that the way out of the economic crisis should be sought in their general transformation on a self-managing basis," says Petar Milanovic, a higher counselor in the National Bank of Yugoslavia. This overall assessment by our interlocutor is followed by another: the destabilizing action of the accounting system becomes greater in proportion to how aggressive toward social property are the economic parameters of the banking system within which the accounting system acts (such as real interest rate, foreign exchange rate, etc.).

Milanovic feels that it is necessary to retain the principle of prepaid sales in the accounting system because of current economic upheavals and the need to strengthen financial discipline. A possible changeover to invoiced sales could also bring forth the idea of revising the existing system of payment -- specifically, abolishing notes, which would make financial consolidation more difficult.

The very fact that we now have a system of prepaid sales and the economy has embarked on a worrisome course of instability indicates that the causes lie in the genesis of certain totally different aspects of the functioning of the accounting and banking systems. For that reason, the issue of the method of payment is only marginal and could draw attention toward palliative solutions.

"The Melting" of the Substance of Social Property

In pointing this out, Milanovic also recalled many defects in the accounting system. The accounting system channeled funds from interest into total income and through it into a kind of income which, through taxes and contributions, is for the most part directed toward unproductive consumption.

If one adds the fact that the accounting service has taken positive exchange differences and directed them toward total income and has allowed the

organizations of associated labor and banks to spread negative differences over 15 years, and the National Bank of Yugoslavia over 30 years, it becomes clear that this too has made possible the transfer of the substance of social property into income. It has been estimated that just through its foreign exchange accounts the economy has introduced into income approximately 450 billion dinars' worth of positive rate differences, leaving this amount in the banks in the form of negative differences spread over 15 years. This has made possible the creation of a fictitious component of income in entities with both positive and negative rate differences.

The most recent phenomenon in which the accounting system accepts expenditures for interest as payment for mandatory funds intended for accumulation is nonsense, all the more because, at the same time and through different accounting channels, expenditures for interest become an element of total income and are thus for the most part irrevocably transferred into the unproductive sphere. This means that, for all practical purposes, the accumulation has been eaten up.

At the same time the banking system, which relies on the accounting system, has made possible, through its monetary orientation which focuses on the instruments for multiple expansion of credit through deposits and loans, an alienated approach to the management of the financial trends of social production. On the whole, the prevailing method of having a universal bank has contributed to this, as has its alliance with an alienated method of payment influenced by the Soviet Accounting Service.

#### A Thesis for Transformation

In this connection, Milanovic stresses that a real positive interest rate would be very desirable as part of an arsenal of economic parameters, but only when the economy is functioning under relatively stable conditions (with an inflation rate of up to 10 percent), and when its development goes through investment cycles that ensure an optimal rate of economic growth. The consequences of an application of a monetary model to the Yugoslav situation, where there is very high inflation, would be very worrisome.

According to Milanovic, a self-managing transformation of the accounting system in accordance with the principle of prepaid sales would have to be based on the following principles: all trends toward income not derived from labor should be wrung out of the total income and placed into a business fund, and then mandatorily associated in an investment bank of associated labor for the purpose of financing investments in basic and revolving funds, according to established priorities.

Such deposits into a business fund could not be counted as part of the mandatory deposits for accumulation according to social agreements. Specifically, for each economic entity in the social sector, the positive difference between the monetary inflow and outflow from interest should be entered into the business fund as an element of the structure of overall monetary trends.

The business fund should be adapted to conform to the concept of a fund of transferred value of associated labor. The funds in question should mandatorily be associated on a long-term basis in an investment bank for the purpose of realizing joint income. The funds collected in this manner would finance priority projects in economically underdeveloped regions, exports, agriculture, removal of bottlenecks, and the reduction of disparities.

It would also be necessary to adopt a regulation that would institutionalize a fiscal instrument for securing specific funds for the federal budget in order to cover exchange rate differences, in order to prohibit, by law, having them spread out. Among other things, an anti-inflationary tax could be useful in this, as long as it is deposited into the federal budget and intended to cover exchange rate differences.

It is also essential to adopt a law on the long-term implementation of the instruments of real economy, envisioned by the Stabilization Program: a positive real interest rate, a real foreign exchange rate, a real depreciation rate, and a real reappraisal rate for basic and revolving funds. It would specify the conditions, means, and criteria for implementing the long-term goals of economic stabilization. In Milanovic's view, real depreciation rates should be successively implemented by the year 2000 (for example, within 3 years for equipment and within 20 years for installations). It would be possible to specify depreciation rates for equipment; for example, 14 percent for 1987, 16 percent for 1988, 18 percent for 1989, etc. It would be desirable to achieve a rate of about 33 percent by the year 2000.

#### Decreasing the Interest Rate and Depressing the Dinar

It is also necessary to realize successively real rates for reappraising basic and revolving funds. In this it is also necessary to proceed from specific goals and follow certain dynamics. In practical terms such a law could stipulate that the Yugoslav economy will make the rate of reappraisal of the basic and revolving funds a part of self-financing for example, 44 percent in 1987, 46 percent in 1988, 48 percent in 1989, so that by the year 2000 we would have our own sources of business funds of approximately 66-67 percent at the national economy level.

Starting at the beginning of 1987 there could also be a successive decrease in the percentage of interest and of the general rate of depressing domestic currency in order to achieve by the year 2000, in a graduated manner in yearly increments, a positive interest rate of approximately 6 percent and a foreign exchange course that would correspond to the general rate of decreasing or increasing the value of domestic currency, up to a yearly plus or minus of 5 percent.

It would be good if the organizations of associated labor were to get back the funds that were taken from them by law, various regulations, or social agreements.



[Boxed article: "Worrisome Consequences"]

[Text] The monetary approach of the credit and banking systems causes many worrisome consequences. It has initiated a process of redistribution at the expense of the economy and to the benefit of the richer strata of the population. In 1985 40.96 percent of net income and 84.74 percent of the calculated net personal income were set aside for interest. This was 115.67 percent greater than the deposits into the business fund, and 104.92 percent of calculated depreciation, and thus it almost reached the gross accumulation of the economy.

The alienation of the labor surplus is also confirmed by the fact that the economy's share of the income was 63.5 percent in 1978, and only 49.8 percent in 1985. The data also point to changes in the ownership of the money mass. From 1978 to 1985, the population increased its share of ownership of the money mass by 10 percent, while the economy's share decreased by 9.7 percent.

The figures on the movement of funds in the revolving accounts of organizations in the economy and outside it are also important. In the post-constitutional period the funds in the revolving accounts of organizations of associated labor in the economy increased 5.95 times. Funds outside the economy increased as much as 15.32 times. In Petar Milanovic's view, this paradox should be viewed in light of multiple expansion of deposits.

For entities in the so-called suprastructure, the note is not appealing because the accounting and payment systems have forced the economy to pay taxes, contributions, and other obligations in cash, in spite of the fact that these funds will be hoarded in the accounts of non-economic entities until they are utilized. The rule of conduct is: whoever has no funds to pay his obligations to the non-economic sector can go to the bank and take out a loan on which he will pay a positive real interest rate, which the accounting system will distribute to all the entities in joint and personal consumption.

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POLITICS

CZECHOSLOVAKIA

DAILY ON U.S., SOVIET ROLE IN SLOVAK UPRISING

AU311236 Prague RUDE PRAVO in Czech 30 Oct 86 p 3

[Commentary by Jaroslav Kojzar in the "Such Are the Facts" column: "A Deceptive Hope"]

[Excerpts] One of the American radio stations recently pondered the significance of the Slovak National Uprising. In doing so, it came up with quite a number of odd statements. Our attention was attracted particularly by the one claiming that the defeat of the uprising was caused by communists. Why? "They sealed its defeat" because "the decision was made somewhere in Moscow that Western allies must not come to assist the Slovak insurgents. And the Anglo-American military aircraft thus had to take off from the insurgents' Tri Duby [Three Oaks] airfield and leave behind only weapons, medication, and the deceptive hope that they would come back again...."

Was it really the case that somewhere in Moscow Gottwald conferred with Stalin and, with the backing of Slovak communists, said "no" to open arms full of weapons, ammunition, food, bandages, and armored vehicles?

Let us use the language of facts, let us not be carried away by justified indignation.... The uprising really needed military assistance. And as far as the Soviet Union is concerned, it also got it. Aircraft with weapons, bandages, ammunition, but also with seasoned partisan commanders, and a brigade of Czechoslovak paratroopers, an air regiment, and so forth were landing regularly at both airfields controlled by the insurgents. In the second half of September and in October Soviet aircraft were landing there night after night. Moreover, as is known, the Soviet command rapidly changed its operational plans and ordered an offensive across the Carpathians to join the insurgents and help liberate the whole country. This change in the direction of the offensive cost the Red Army tens of thousands of lives.

And the assistance of Western allies? The uprising needed it. It waited for it. But only our government in London was entitled to negotiate this assistance. It was enthusiastic neither about the all-national and popular nature of the Slovak National Uprising nor about the fact that communists and other representatives of left-wing organizations became the

leading force in it. That is why negotiations about this assistance ended in promises and nothing but promises, through the fault of both sides-- the government in London and the representatives of Anglo-American allies.

But let us be fair. Americans were present in the insurgent territory. They took part in combat operations and some of them even fell. But it was not a military unit representing the Anglo-American contingent in the mountains of Slovakia but a few individuals who, regardless of the circumstances through which they found themselves in Slovakia, were helping our people to win freedom and defeat fascism, together with antifascists from other nations. The only arrival from the Western front was that of a 22-member military mission, which was flown in in two parts with a relatively small amount of antitank guns, flame-throwers, machine guns, ammunition, and medication, and which had /intelligence tasks./  
[words between slantlines published in boldface]

They were brave men. Most of them refused to be transferred to their base and joined other fighters of the Slovak National Uprising in the mountains. Members of this mission were later captured by the Nazis, some of them were tortured to death, others thrown into concentration camps. Their aircraft were used to take the wounded and a small delegation of the Slovak National Council to London, for personal talks with the government-in-exile. But that was the end to assistance. There were no more arrivals of aircraft from the West. What remained was the "deceptive hope that they would come back again." This is the only point on which we agree.

/9604

CSO: 2400/57

POLITICS

CZECHOSLOVAKIA

INDRA SEES FAVORABLE DEVELOPMENT IN RELATIONS WITH PRC

Prague RUDE PRAVO in Czech 8 Oct 86 pp 1, 2

[Article by CTK: "Prerequisites for Intensive Development of Contacts with the People's Republic of China"]

[Excerpt] An official friendly visit by the delegation of the All-China Assembly of the People's Representatives of the People's Republic of China, led by the deputy chairman of its permanent committee, Liao Hansheng, continued Tuesday with a sojourn in our capital city. Alois Indra, member of the Presidium of the CPCZ Central Committee and chairman of the Federal Assembly of the CSSR, sincerely and cordially welcomed the members of the delegation in the halls of the Federal Assembly.

Comrade A. Indra stressed that in the persons of the Chinese deputies we welcome the foremost people's representatives of that great socialist country whose visit signals another step in the development of friendship and cooperation between the CSSR and the PRC.

He acquainted the guests with the CSSR's internal political situation and underscored our working people's efforts to fulfill the decisions of the 17th CPCZ Congress and the main tasks of our society's socioeconomic development in the Eighth 5-Year Plan and thereafter.

The chairman of the CSSR Federal Assembly said: "The cornerstone of our foreign policy is our alliance with the USSR and other socialist countries associated in the Warsaw Pact." He continued: "Moreover, we are striving to achieve harmonious relations on the basis of equality with the developing countries and to establish mutually advantageous contacts and a constructive dialogue with the capitalist states. We fully endorse the USSR's proposal aimed at consolidation of world peace and disarmament, which, of course, only rarely find positive responses in the imperialist circles. The USA and some of her allies are continuing their hectic arms race and attempting to extend it to space. Mankind hopes that during the approaching meeting in Reykjavik President Reagan will show appropriate political realism," said A. Indra. Assessing the situation in various parts of the world, he emphasized the importance of Asia and the Pacific and the comprehensive proposal for the solution of problems existing in that area which Mikhail Gorbachov presented in his address in Vladivostok.

"We are pleased that in the international arena we share with the PRC very similar or entirely identical standpoints on many fundamental issues," said Alois Indra in conclusion. He noted that, in his opinion, the present period encouraged special hopes for intensive development of Sino-Czechoslovak relations, and he wished the Chinese people every success in their efforts to modernize their national economy and to fulfill other important tasks assigned by the CPC.

In his response Liao Hansheng expressed satisfaction with the positive development of Sino-Czechoslovak relations in recent years and stressed his conviction that in the future they would be expanded and intensified--mainly in the political area. He added that the PRC's foreign policy is based on the principles of peaceful coexistence with all states and that it strives to strengthen peace and to achieve disarmament. "We sincerely wish that the approaching summit conference of the USSR and US representatives in Iceland will bring positive results because peace is what all mankind needs."

Next, he discussed the decisions of the recent 6th session of the CPC's Central Committee and the objectives of the Seventh 5-Year Plan. The 10 percent growth of national income during the preceding 5-year plan made it possible to achieve virtual self-sufficiency in food production, greatly improve the living conditions of the residents in cities and in the country, increase their income, and provide new job opportunities. The annual increment of NI in the Seventh 5-Year Plan will amount to 6.7 percent; before the end of this century industrial and agricultural production will be four times higher than in 1980, which will be in particular due to the reform of the economic system that has already been completed in agriculture and is now extended to the branches of industry.

In conclusion, the leader of the Chinese delegation invited a delegation of the CSSR Federal Assembly, led by Alois Indra, for an official visit in the PRC. The invitation was accepted with gratitude.

Jan Marko, Vladimir Vedra, Dalibor Hanes, Zbynek Zalman, and Jozef Simuth, deputy chairmen of the CSSR Federal Assembly, Alois Hula and Vaclav Stafek, deputy chairman of both chambers, and Zhang Dake, the PRC's ambassador in the CSSR, participated in the meeting.

A cordial atmosphere also marked the reception of the highest representative body of the CSR--the Czech National Council.

Josef Kempny, member of the Presidium of the CPCZ Central Committee and chairman of the CNC, referred to the intensive development of Sino-Czechoslovak relations today: "We share the same goals--to build a socialist society and to upgrade our people's living standard; naturally, we are also united by the prerequisites for fulfilling these objectives, i.e., by our effort to safeguard world peace." He went on: "I am convinced that your visit will be one of the cornerstones on which we are building mutual comradely relations between our countries and their communist parties."

Liao Hansheng expressed thanks for the warm welcome given to his delegation in the CSSR and said: "The world is now facing two urgent tasks, namely, the defense of world peace and the economic development of all countries without exception."

He said that China has adopted a categorical standpoint on those issues. She promotes immediate cessation of nuclear tests and gradual liquidation of nuclear arms. At the same time she considers it necessary to limit conventional weapons and has actually taken steps in that direction--last year, for instance, she reduced her armed forces by one million men.

He spoke of the PRC's interest in the further development of cooperation with the socialist countries and in full resumption and intensification of mutual relations, not only in economics, technology, culture and sports, but also in the political area, especially among communist parties.

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POLITICS

CZECHOSLOVAKIA

REPORTAGE ON ITALIAN TU DELEGATION'S VISIT

Hoffmann Receives TU Official

LD292053 Prague CTK in English 1849 GMT 29 Oct 86

[Text] Prague, 29 Oct (CTK)--Chairman of the Czechoslovak Central Council of Trade Unions Karel Hoffmann received here today a delegation of the Italian General Confederation of Labour (CGIL), headed by its Secretary Gianfranco Rastrelli, currently on a friendly visit to Czechoslovakia at the invitation of the Central Council of Trade Unions.

Karel Hoffmann expressed the conviction that the talks between the two delegations create good preconditions for expansion of mutual contacts. He spoke for an informal, matter-of-fact and frank dialogue as a basis for the further cooperation. In spite of some differences in views, the two organizations share identical or close views on a prevailing majority of issues such as the defence of workers' interests as the basic task of trade unions even if in different conditions.

Gianfranco Rastrelli appreciated Czechoslovakia's economic and social development and the care of trade unions for the working and living conditions of workers. He voiced interest in deepening contacts between the two organizations.

Press Release Issued

AU040950 Prague PRACE in Czech 1 Nov 86 p 2

["Press Report on the Visit by a Delegation of the Italian General Confederation of Labor (CGIL) to Czechoslovakia on 27 to 31 October 1986"]

[Text] A delegation of the Italian General Confederation of Labor (CGIL) led by CGIL Secretary Gianfranco Rastrelli ended its stay in the CSSR yesterday. The delegation was seen off at the airport by Viliam Kozik, secretary of the Central Trade Union Council (URO), and Emil Groloch, head of the URO International Department. The following press report was released at the close of the visit:

A delegation of the Italian General Confederation of Labor (CGIL) led by CGIL Secretary Gianfranco Rastrelli paid a visit to the CSSR on

27 to 31 October 1986 at the invitation of the Central Trade Union Council. The delegation was received by URO Chairman Karel Hoffmann and conferred with an URO delegation led by URO Secretary Viliam Kozik.

During its stay in the CSSR the CGIL delegation also visited the Kovosvit plant of the Technology Engineering Plants concern in Sezimovo Usti and held a discussion with trade union functionaries of enterprises and the District Trade Union Council in Tabor.

In the course of their talks the representatives of Czechoslovak and Italian trade unions exchanged experiences from trade union work in the two countries, briefed each other on current tasks of the two trade union organizations, and discussed the possibilities of further developing contacts between URO and CGIL. The Czechoslovak side voiced appreciation for the CGIL's efforts for action unity of the Italian working people in defending their just demands for the elimination of unemployment, a better life, and social progress. The CGIL delegation positively assessed the role of Czechoslovak trade unions in solving the tasks of the socialist society's development. The two sides agreed that in the present exacerbated international situation trade unions all over the world, regardless of their ideological orientation, must do all they can for detente and the preservation of peace. In this connection they expressed their joint negative stand on the so-called Strategic Defense Initiative and the wish that Europe become a continent free of nuclear and chemical weapons. They support all initiatives and concrete steps aimed at the implementation of that goal. They believe that resources earmarked until now for armaments must be rededicated and used to raise working people's living standards, create new jobs, and eliminate poverty and starvation in the world.

The representatives of the two organizations discussed the activity of the URO and the CGIL in the international trade union movement. They stressed the importance of cooperation between trade unions in Europe and agreed that their meeting contributed to better understanding and cooperation between the trade union organizations and working people of the CSSR and Italy.

They also reached agreement on a number of specific joint actions for the coming period. The delegation's visit and all talks took place in a frank and comradely atmosphere.

/9604

CSO: 2400/57



POLITICS

CZECHOSLOVAKIA

INTERVIEW WITH PALESTINIAN STUDENT UNION MEMBER

AU300931 Bratislava PRAVDA in Slovak 24 Oct 86 p 6

[Interview conducted by PRAVDA staff journalist Martin Krno in Prague with Basim Al-Baz, standing representative of the General Union of Palestinian Students (GUPS) to the Secretariat of the International Students Union in Prague: "Meeting With a Young Palestinian Patriot; Far From and Yet Near to the Fatherland"--date not given]

[Excerpts] [Basim Al-Baz] "Sometimes I have the feeling that I am far away from my fatherland, faraway from events that decide its fate. However, I am not alone in Czechoslovakia; hundreds of Palestinian students have found their temporary home here. Here we organize many common actions, the branch of our union in the CSSR is very active, and thus also here in Prague and in other Czech and Slovak cities we are striving to contribute to the victory of the just cause of the Palestinian people."

[Krno] It is difficult to say how many members the GUPS has. It represents thousands of Palestinian students. According to its 1959 statutes, its headquarters is in Jerusalem. At present, its leadership works, together with the other PLO agencies, in Tunis. But Basim stresses that this is only temporary. The organization has more than 40 branches on five continents, particularly in Western Europe, in almost all socialist countries, in the Arab states. The main content of its activity is political work. It takes interest in far more than just students' interests. The struggle for the liberation of Palestine is the duty of every GUPS member, no matter in which country he lives or studies.

/9604

CSO: 2400/57

9 December 1986

## POLITICS

## CZECHOSLOVAKIA

## REPORT ON CPPCC DELEGATION'S VISIT

AU291436 Prague RUDE PRAVO in Czech 28 Oct 86 pp 1, 2

[CTK report: "Contribution to the Strengthening of the Friendship Between the People of the CSSR and the PRC; Comrade Gustav Husak Received Delegation of Chinese People's Political Consultative Conference; Talks With Representatives of the National Front"]

[Excerpts] Gustav Husak, CSSR president and chairman of the Central Committee of the CSSR National Front, received on Monday [27 October] at Prague Castle a delegation of the Chinese People's Political Consultative Conference [CPPCC] headed by Cheng Zihua, deputy chairman of its statewide committee, which is paying an official friendly visit to Czechoslovakia.

The visit of the CPPCC delegation, led by Cheng Zihua, continued the same day with official talks and deliberations which reaffirmed that bilateral interest exists in developing political, economic, and cultural relations between our countries, relations which arise not only from the traditional friendship, but also from the endeavor to accelerate by mutual cooperation the construction of socialist society and to consolidate peace.

In the Valdstejn Palace Tomas Travnicek, deputy chairman of the Central Committee of the CSSR National Front, acquainted the guests with the past and the current tasks of the National Front and explained to them its place in the Czechoslovak political system. He said that in political parties and social and interest organizations, the National Front associates more than 28 million members. He informed the members of the delegation about the election programs of the National Front, which are the concretization of the conclusions of the 17th CPCZ Congress in regions, districts, cities, and the countryside for the fulfillment of which national committees, organizations of the National Front, and industrial and agricultural enterprises pool their potential. He also mentioned the foreign political activity of the National Front, which also includes the activity of the Czechoslovak Peace Committee, the Committee for Solidarity With the Nations of Africa, Asia, and Latin America, and the Committee for European Security and Cooperation.

Cheng Zihua expressed thanks for the warm reception accorded the delegation in our country and expressed the conviction that its current visit would contribute to deepening the friendly relations between the Czechoslovak and Chinese people. He said that the delegation wishes to draw on the experience of the National Front and wants to inform itself during its stay in our country about the way the Czechoslovak working people are fulfilling the conclusions of the 17th CPCZ Congress.

He then spoke about the endeavor of the Chinese people to realize the "four modernizations" program. This endeavor is being unified precisely by the CPPCC, which associates 31 political parties, mass organizations, and nationality groups. In order to fulfill the determined tasks, China necessarily needs peace and peaceful cooperation with all countries of the world. Therefore, it is interested in a successful outcome of the USSR-U.S. talks on reducing and halting the nuclear arms buildup and on disarmament, Cheng Zihua stressed. In conclusion, he invited Tomas Travnicek, heading a delegation of the CSSR National Front, to pay an official visit to China.

The work of the CPPCC was explained by its Secretary Cou Saocent [name as published]. The reception and cordial chat were also attended by Miloslav Vacik, deputy chairman of the Central Committee of the CSSR National Front, and other representatives.

/9604

CSO: 2400/57

POLITICS

CZECHOSLOVAKIA

'JOINT PRESS REPORT' ON STROUGAL VISIT TO GREECE

AU271428 Prague RUDE PRAVO in Czech 24 Oct 86 p 7

[CTK report: "Joint Press Report" on official visit to Greece by CSSR Premier Lubomir Strougal from 22 to 23 October]

[Text] Athens (CTK special correspondent)--A joint press report was adopted at the end of CSSR Premier Lubomir Strougal's visit to Greece. It states:

CSSR Premier Lubomir Strougal paid an official visit to the Hellenic Republic on 22-23 October at the invitation of Andreas Papandreou, prime minister of the Hellenic Republic.

Useful talks were held in the course of the visit between the two premiers, between the ministers of foreign affairs, and other ministers. The talks were attended by:

For the Czechoslovak side--CSSR Premier Lubomir Strougal; Bohuslav Chnoupek, CSSR minister of foreign affairs; Eduard Saul, CSSR minister of metallurgy and heavy engineering; Frantisek Langer, CSSR first deputy minister of foreign trade; and Jozef Nalepka, CSSR ambassador to the Hellenic Republic.

For the Greek side: Andreas Papandreou, prime minister of the Hellenic Republic; Karolos Papoulias, minister of foreign affairs of the Hellenic Republic; Markos Natsinas, minister of industry, energy, and technology of the Hellenic Republic; Georgios Katsifaras, minister of commerce of the Hellenic Republic; Ioannis Papantoniou [spelling of name as published], deputy minister of national economy of the Hellenic Republic; Vasso Papandreou, deputy minister of industry, energy, and technology of the Hellenic Republic.

The prime ministers expressed satisfaction with the positive development of bilateral relations in all spheres and affirmed the wish of their governments to expand the relations of friendship and cooperation on the foundation of the principles of independence, national sovereignty, noninterference in internal affairs, and mutual respect. In this connection they noted the important role of the joint Czechoslovak-Greek declaration on the development of bilateral relations and cooperation between the two countries.

They pointed out the exceptional importance of meetings on high political level for strengthening bilateral relations in all spheres, and expressed the interest in continuing these meetings, so that the contacts between the governments, parliaments, and other state institutions would continue to develop. They also affirmed readiness to continue political consultations between the ministries of foreign affairs.

They thoroughly discussed the overall state of bilateral economic relations and the possibilities of expanding them further. They assessed the means aimed at intensifying mutual trade exchanges, as well as strengthening the economic, industrial, and technical cooperation in the interest of making better use of the possibilities provided by the Long-Term Program of the Development of Economic, Industrial, and Technical Cooperation, which was signed in 1984 during the visit by Prime Minister of the Greek Government to Czechoslovakia.

They expressed satisfaction with the development of cooperation in the spheres of culture, science, education, health care, sport, and tourism. At the same time they agreed that the possibilities for the development of cooperation in all these spheres have not been exhausted yet, and that it is necessary for the relevant agencies to examine them more intensively in the interest of the nations of the two countries becoming better acquainted with the cultural values and way of life of the other.

When exchanging views on the international situation, they expressed concern over the continuing arms race, especially the nuclear arms race, and the danger of extending it into outer space. They stressed that halting this dangerous course and going over to disarmament, especially nuclear disarmament, create prerequisites for averting a nuclear catastrophe. They expressed active support for the endeavor and talks at international forums, whose objective is universal disarmament, while stringently respecting the principles of mutuality, equality of obligations, and the need not to harm the interested parties' security, as well as implementing corresponding controls regarding the limitation, reduction, and elimination of nuclear, chemical, and conventional weapons. In this connection, the two representatives stressed the importance of the initiative of the "Six" and its concrete proposals, addressed to the USSR and the United States, which were adopted at the meeting in Mexico.

In view of the large accumulation of nuclear weapons in Europe, they stressed the necessity of halting the deployment of further intermediate range nuclear missiles on this continent. They expressed the hope that it would soon be possible to achieve an agreement on the liquidation of American and Soviet intermediate-range missiles in Europe. Czechoslovakia and Greece are convinced that an establishment of non-nuclear zones and of zones without chemical weapons in the Balkans, in central and northern Europe, and other regions of the continent would significantly contribute to the process of the relaxation of international tension and to disarmament. In this connection, the two government representatives favored holding appropriate talks.

They agreed that the meeting between U.S. President Ronald Reagan and Mikhail Gorbachev, general secretary of the CPSU Central Committee, in Reykjavik provided an opportunity to find a mutually acceptable basis for resolving proposals for a radical reduction of the number of strategic weapons, and the elimination of American and Soviet intermediate-range missiles in Europe, while, at the same time, reducing the number of these missiles in Asia.

They expressed the hope that leading officials of both big powers will at all forums continue the endeavor aimed at overcoming the differences in the interpretation of the treaty on antimissile defense and in the issue of a complete and definite ban of nuclear tests, which prevent agreement being achieved. The two prime ministers anticipate with hope the course of the Vienna follow-up meeting of the CSCE signatory states, the Disarmament Conference in Geneva, as well as the Vienna talks on the reduction of armed forces and armament in central Europe.

They support all political and diplomatic activities leading to the elimination of hotbeds of tension and confrontation, to the resolution of conflicts among states with exclusively peaceful means in accordance with the principles of international law and the UN principles. In this connection one stressed the role which the UN should play even more actively.

One noted with satisfaction that standpoints are identical or very close on the resolution of conflicts, such as, for example, in the Middle East, including problems concerning Lebanon, the war between Iran and Iraq, on the condemnation of racial differences and apartheid, as well as standpoints on issues concerning the Central American countries.

One stressed the need to achieve a just and viable solution to the Cyprus question on the basis of respecting the independence, sovereignty, territorial integrity and unity and nonalignment of the Republic of Cyprus, as well as the withdrawal of all foreign troops in accordance with the pertinent UN resolutions.

Czechoslovakia and Greece reaffirmed their unchangeable standpoint on the settlement of problems concerning the developing countries, including the debts of these countries, and the establishment of a new international economic order.

The ministers of foreign affairs of the two countries signed a double taxation prevention treaty. At the end of the visit, one expressed satisfaction with the fruitful results of the talks, and one noted that they are opening new perspectives for strengthening and developing the relations of friendship and all-round cooperation between Czechoslovakia and Greece for the mutual benefit of the Czechoslovak and Greek people in the interest of detente, peace, and cooperation throughout the world.

CSSR Prime Minister Lubomir Strougal invited Andreas Papandreou, prime minister of the Hellenic Republic, to visit Czechoslovakia. The invitation was accepted with thanks.

In the course of the visit, the CSSR Prime Minister was received by Christos Sartzetakis, the president of the Hellenic Republic, and by Ioannis Alevras [spelling of name as published], chairman of the Greek Parliament. Lubomir Strougal conveyed the President of the Hellenic Republic an invitation from CSSR President Gustav Husak to visit the CSSR. The invitation was received with thanks.

/9604

CSO: 2400/57

POLITICS

CZECHOSLOVAKIA

BRIEFS

BRATISLAVA MARKET CHAIN STAFF ARRESTED--Bratislava PRAVDA in Slovak on 24 October carries on page 3 a 2,300-word Peter Ondera report entitled "Trojan Horse in Zdroj's Entrails; in Bratislava the Deficit-Makers' Pitcher Got Broken, But the Shards Remain..." The report describes how audits carried out in 14 units of the Zdroj market chain in Bratislava had brought to light a considerable deficit, goods manipulations, and financial machinations in 10 of them and resulted in 12 arrests. According to the report, the primary party organization in the Zdroj 10-02 unit decided to suspend the party membership of three of the accused employees and to expel four. After describing the mismanagement to which "damages to property in socialist ownership," currently estimated at Kcs 3,693 million, is due and after interviewing Zdroj employees on the difficulties in everyday work of the market chain and on the characters of the accused, the report concludes that the causes of the Bratislava affair lie in bad "management and cadre work" and that "all kinds of things have been neglected in Bratislava, and very seriously so." [Editorial Report] /9604

WFTU EUROPEAN COMMISSION MEETS--The WFTU European Commission met in Prague today. Present at the session were Sandor Gaspar, chairman of the federation; Ibrahim Zakarioah, its general secretary; Karel Hoffmann, WFTU deputy chairman and chairman of the Central Council of Trade Unions; Henri Krasucki, deputy chairman of the federation, chairman of its European Commission, and general secretary of the French General Confederation of Labor; and other leading representatives of European Central Trade Union organizations of the federation. The members of the commission discussed questions connected with the coordination of activity and the possibility of organizing concrete action of a Europe-wide character. The delegates expressed the conviction that a meeting of a Europe-wide trade union conference would help to create a favorable atmosphere for detente and strengthening of trust in Europe. [Text] [Prague Domestic Service in Slovak 1400 GMT 2 Nov 86] /9604

CSO: 2400/57



POLITICS

HUNGARY

# UNEVEN SUCCESSES OF DECENTRALIZED ADMINISTRATION NOTED

Budapest MAGYAR NEMZET in Hungarian 29 Oct 86 p 3

[Article by "l. cs. n.": "Heightened Public Activity in the Peripheral Villages"]

[Text] Pest Megye Council's Organization and Law Department recently surveyed the situation of the local boards in peripheral villages administered by joint village councils, and summed up the experience of their operation to date. As the survey established, most of the local boards in the megye are operating under special conditions. Of the 51 local boards formed to represent the residents of peripheral villages on joint village councils in the central villages, 19 are boards representing settlements with more than 1000 residents each, and 9 are boards representing settlements with more than 2000 residents each. Nearly a third of the megye's permanent population is living on the territory of local boards.

As the summation points out, the fact that the chairmen of most local boards had previously been active in public life as heads of the delegations of council members from the individual settlements has made the operation of the local boards easier in Pest Megye. Furthermore, in the autumn of 1985 the chairmen of the local boards attended a training course to prepare them for their duties. The material conditions for the operation of the local boards are ensured in most peripheral villages, but in many small settlements the absence of telephone service presents a difficult problem.

The survey finds that the work of the local self-governments in the peripheral villages is characterized increasingly by conformity to their plan, with more and more signs of initiative. This is evident also from the fact that, since the formation of local boards, the residents of peripheral villages have performed 1.5 million forints' worth of voluntary labor, on significant development and renovation projects. For example, the residents of several small communities have cleaned up their cemeteries, built sidewalks or repaired roads.

The local boards are devoting increasing attention to improving the population's supply and to community tasks. But active involvement in certain social policy issues--care for the elderly and the handicapped, for example--still belongs among the tasks for the future.

The analytical survey finds that the councils in central villages are more concerned with improving the living conditions of the their fellow citizens residing in the peripheral villages. In spite of this, however, in many places the local boards' relations with the councils are characterized by groping. That in some places economic managers are still viewing the operation of the local boards with doubt likewise provides food for thought.

But the increasing activity of the local boards is noteworthy. As one sign of this, several peripheral villages are organizing village meetings without the tutelage of the council in the central village. Attendance at these village forums has increased. With their constructive comments and proposals, more and more people wish to contribute toward shaping the future aspect of their native village.

This is evidence of spontaneous activity. But it also proves that the residents of small villages want broader local self-government. And the ample experience of the past year already suggests that the local boards' authority can be broadened, in the interest of the peripheral villages' residents.

1014

CSO: 2500/53

POLITICS

HUNGARY

ALLEGORY CRITICIZES UNCERTAIN PRESENT, TACTLESS HISTORY

Budapest MAGYAR NEMZET in Hungarian 28 Oct 86 p 3

[Article by Diurnus under "The Day" rubric: "Anno 2000"]

[Text] Z. is 77 and fuming with rage: "When a news item begins with the year 2000 (the new metro line, say, will be ready by then), then I skip it! Why are they bothering a person with all this nonsense about the year 2000? Where will I be by then? A special, more tactful newspaper ought to be published for those who presumably will never live to see the year 2000. A paper that uses the future tense less frequently and with moderation. One that does not rush ahead in time so recklessly. Just as there are films not recommended for persons under 16, there are also news items, sentences and dreams not recommended for persons over 70. Publish a paper that is more palatable for a person who is 77. Don't joke with me! This is similar to my buying, at the age of 77, something on an installment plan payable over 30 years. Dishonest. What I want to be told is what will happen next month. What will happen tomorrow. Let's leave the distant future alone . . ."

Amazing. To him the past is more timely. He is definitely more interested in antiquity than in the year 2000. He has just reread Pliny the Younger (over-refined, he claims, and prefers Tacitus). Perhaps because the future is by no means so certain. But the past is certain to have happened.

"And you could write more tactfully about the past as well," he grumbles. "Bear in mind that there still are living witnesses. You cannot write down just anything!"

Incidentally, all his grumbling is merely a sham. He is writing his memoirs and has left instructions that the manuscript may be published only after his death. It is important to him that the much-scorned future be interested in the much-maligned past. Actually, the only thing he is anxious about is what will happen in the year 2000 and thereafter. That perhaps still could be changed. And he would like very much to become acquainted, and be on a first-name basis, with the people of the future.

POLITICS

ROMANIA

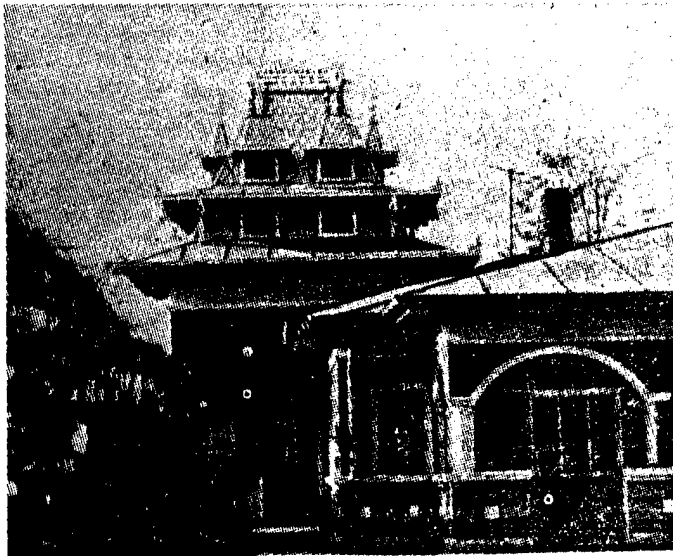
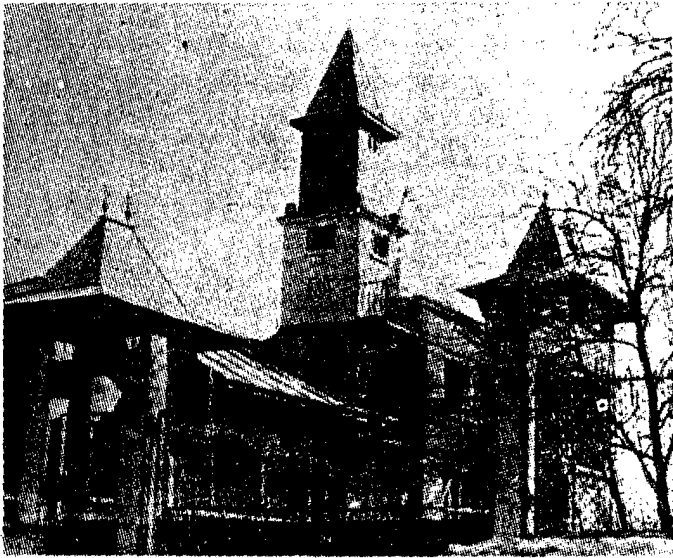
PRIVATELY BUILT HOUSING LABELED 'ARCHITECTURALLY WEIRD'

Bucharest URZICA in Romanian No 11, 15 Nov 86 p 4

[Excerpts] People from the Bolintin area are renowned for their skill as builders of houses. This reputation extends to other countries of Europe also, as well as neighboring continents. Teams of builders from Bolintin outnumber all other Romanian groups employed on foreign construction sites. Well and good, except that as soon as they return to their mother country they start building houses, on a private basis, which are nothing short of "weird" from the architectural point of view. Villas have sprung out of the ground emulating Swiss or Libyan architecture, sporting minarets and wavy roofs, etc. These "constructions" don't represent anything at the moment, but they are sure to cause headaches to archeologists a thousand years from now,...

Apparently, this is nothing serious. Using their own funds, citizens can build whatever they like. However, it is our duty to point out this phenomenon of pollution of traditional architecture (and this isn't happening only in Bolintin!). Perhaps a message can be passed on to those who will be living in these parts after the next millenium that they were not inhabited by Moors, nor by people from Liechtenstein and not evey by people from Antarctica. These eventual ruins ought to be looked upon as a product of lack of taste and of a limited cultural level on the part of citizens whose local administrative organs gave them a free hand to build scrap heaps with central heating and running water!

Paraphrasing Anton Pann, we say to them: "Build, my Romanian brother, after your own being and tradition!..."



/9274  
CSO: 2700/71

POLITICS

ROMANIA

BOOK OF LETTERS OF 19TH-20TH CENTURY TRANSYLVANIAN REVIEWED

Timisoara ORIZONT in Romanian No 42, 17 Oct 86 p 3

[Article by Aurel Turcus: "Images from the Fresco of an Era"]

[Excerpts] This second volume of correspondence, "Valeriu Braniste--Correspondence," prepared with notes and commentary by Valeria Caliman and Gheorghe Iancu contains 206 letters sent and received by Valeriu Braniste [1869-1928] and covers the period from October 1895 to December 1901. The letters are about certain important events in the life and activity of this illustrious fighter and editor, such as his incarceration at Vat, his departure from the editorship of the paper "Justice" published in Timisoara, his return to teaching in Brasov, his work as editor of the paper "The Fatherland" during 1897-1900 and the beginning of his lengthy association with the paper "The Banner" in Lugoj. Part of the correspondence is in German and in Hungarian. While in jail at Vat, Braniste was officially allowed to communicate in Romanian only with his mother. Translations of these letters are provided in the volume, however, which should make their contents accessible to the public at large.

The letters bring to light certain novel aspects of young Braniste's complex personality, an ardent fighter for social justice and national freedom of Romanians subjugated by the Austro-Hungarian Empire. These documents also contain much information of historical interest concerning Romanian cultural and political realities of the day. The correspondence also reveals the efforts made by numerous representatives of Transylvanians and Banatian Romanians to assert the socio-political rights of their compatriots so cruelly denied by foreign domination. Most of the letters, even those sent to relatives which dealt with personal matters, reflect certain social aspects sometimes extremely significant. Taken as a whole, the book offers a multitude of lively images of the era--images which will acquire greater substance once Valeriu Braniste's full correspondence is published. The two researchers ask that they be notified by owners of Braniste's letters, so they may be published in future volumes.

[The Romanian Encyclopedic Dictionary of 1962 contains the following entry on Valeriu Braniste: "Romanian journalist and man of politics, editor of "Tribuna" (Sibiu), "Justice" (Timisoara), and "The Banner" (Lugoj). He was persecuted by Austro-Hungarian authorities for his struggle against the national oppression of Transylvanian Romanians. During 1918-1919 he was a member of the bourgeois and landowner government of Transylvania.]

POLITICS

YUGOSLAVIA

BILIC DISCUSSES ATTACKS ON TITO, OTHER CONTROVERSIES

Zagreb DANAS in Serbo-Croatian 7 Oct 86 pp 13-16

[Interview with Jure Bilic by Jelena Lovric: "Who Didn't Make Mistakes"; date and place not given]

[Text] DANAS: What is happening to Yugoslavia today? Recently, including the 13th LCY Congress, we have gone through a number of public debates and all kinds of discussions. At one time we heard the assessment that Yugoslavia was holding together after Tito, yet today we face certain opinions and tendencies which reject that thesis, since it follows from everything considered that Yugoslavia is not so firm as it might have been 5 or 6 years ago. What is the real truth about Yugoslavia today?

Bilic: It might be said that even now, following the 13th congress, at least for the present, no new spirit is yet being felt. Perhaps only the merest hint that things are beginning to clear up or become untangled. We now have a new government which is talking about some new things, but there has been no suggestion that it could undertake anything very radical in economic reorganization, since that is not in fact in its power. I'm afraid that we have to admit that our socialism has not found the answers to certain issues of this time either. Today we do not have the practical answers to our basic dilemma about economic laws and their operation, which has led us from one extreme to the other, which has cast us now toward the liberalistic bourgeois market and now into the embrace of state socialism, haphazardly, depending upon the balance of power and the ability to find solutions to the specific problems of current economic policy.

The main problem is how to build the economic laws of a commodity, market economy into our socialist self-management relations, and here the 13th congress was found wanting. Perhaps most of the confusion and muddle today are in what we call the social superstructure or creativity, but that follows from the confusion and muddle in economic relations. Disturbances in politics, the party, and ideology, which quite often are exacerbated to the point of conflicts which are felt in the leadership of Yugoslavia are engendered out of the disturbed relations in the economy.

DANAS: While Tito was alive there was not much talk about those differences, or indeed even about the conflicts in the leadership, except when they took an extreme form.

Bilic: The last decade, especially after Tito's departure, there have been constant suggestions that he held back the development of democratic relations, and now that he is no longer here and everything can be said and there are no longer any taboo topics, everything has been brought down from the pedestal, a question mark is placed on everything. Charges are made against Tito, although together with the leadership at that time he, of course, did initiate both self-management and the sixth congress, which spoke about the new role of the party. In the memoirs of certain of his closest collaborators at that time it is said that self-management was somehow imposed upon him, that at the beginning he even resisted the conclusions reached at the sixth congress. When on one occasion we talked about the material in those memoirs, Tito merely said to me: "That is not the way it was." It seems to me that Tito has been best appraised by the historian Vasa Cubrilovic, who said 2 or 3 years ago that Tito was a great man and a great revolutionary, that the Serbian people had taken him up as their leader, that he had also been taken up by all other nationalities of Yugoslavia, but that even Tito had made mistakes.

And who didn't make mistakes? This is normal and human. When I think back over my own career, I can say that I would immediately renounce many things that I have said and done. Were that not the case, did we not undergo development, all progress would be halted both of the individual and of the entire community. We did our work, we resolved problems, some things were confirmed by time, some things were not, but our answers never were and never could be the final truth. After all, even the questions are not set down once and for all. It is not a question, then, of our defending every move made by Tito, the party, and this revolution, but to pull the revolution forward, to affirm it, or, as it is put in the vocabulary of the day, to rehabilitate the revolution, and as a part of that there are individuals who will also be rehabilitated. And those individuals who should allegedly be rehabilitated will achieve that in the best and easiest way if they take a position on what they think today about our relations.

DANAS: When you say that Tito has made mistakes, aren't you risking becoming part of the trend which recently has insisted more and more on Tito's mistakes, neglecting, probably in fact intentionally, his historical achievements?

Bilic: In the sixties Tito said on several occasions: They do not do what I say, I am powerless. That very expression "they do not do what I say" could in fact be a tactical move and justification, but the very fact that he said it indicates the democratic relations in the leadership. I know that certain of Tito's close collaborators who perhaps did not remain loyal to him in politics, but it seems that they preserved respect toward his historical figure, called upon him to withdraw and bring new people into the leadership. In the sixties Tito was ready to withdraw, but then there were the events in '68, and then those in 1971, and at that point he was neither able nor did he dare to withdraw. In the sixties he brought new young people into the leadership, but by and large they dropped off in the seventies, and Tito had to return once again to the old cadres. It is no secret that Tito acknowledged that he did believe in those people, but he was disappointed. That is not the first time that Tito complained that things had not turned out the way he wished. So, I am not an apologist, I do not justify and defend everything Tito did, but this



brouhaha, this calling of Tito to account, does not merely cast doubt on him or certain achievements of the revolution, such as the essence of the constitution, for example, but it attempts to place a question mark on the revolution in general.

DANAS: Was what happened with the constitutional amendments Tito's mistake? At that time you were at the center of political life, in Croatia in fact, which was the "hot spot." The argument is now made that Tito was manipulated and that the entire constitutional system emerged as the result of that manipulation, that his greatest mistake was to have allowed enactment of a constitution which led to the disintegration of Yugoslavia.

Bilic: You can manipulate small figures, not those who have their own revolutionary concept, who have a sovereign view of world events. Tito always made moves of major importance to our social development, together with the leadership, of course: the National Liberation Struggle, self-management, the new role of the party, the federal system, and at the end of the sixties he was seeking a way out of the situation which had been determined by the relatively centralized economy, by the centers of economic power which possessed what was referred to as anonymous capital, by the conflicts between the quasi-governmental enterprises and self-management, and by stagnation. Even then bureaucratization was becoming a brake on the revolution, and socialist self-management did not have sufficient power, since it had not been built as a consistent system of social relations. The way out, then, lay in developing self-management, in clearing up relations at the federal level. Those who had economic power resisted, and those who did not have so much of it or felt that they had been economically injured, as was the case in Croatia, demanded changes. That well-known economic conference where I was in the opposition, although at that time I still had no idea what their intentions were, was organized in Croatia in 1968. I was told at the time that I did not understand the far-reaching nature of that action, but I opposed it out of a feeling of a certain egoism or separatism which could result in a new exacerbation. People talked about "our foreign exchange," about how "the Serbs are taking over our coast," and so on. Later a position of policy and everything that happened in 1971 developed out of that view of the economy.

Following his own strategic conception of self-management, at the outset Tito probably supported everything that led to the destruction of centralism and the privileges that existed in certain organizations. Not only in Croatia. In other places as well Tito gave support to those who were striving to clear up economic relations, to develop self-management, to change the status of the worker, in short, to resolve the contradictions which at that time were causing conflicts in Yugoslavia.

It is another matter that some people committed betrayal and some did not even understand. There was a conference held at that time in Serbia which opposed certain constitutional changes, and there were statements which also represented resistance, and the leadership, headed by Tito, organized the well-known Brioni discussions and initiated the changes which first led to the amendments and then to the new constitution. But within the Croatian leadership at that time an extremely radicalistic current was created, one which

reduced all the proposed changes merely to the problem of relations in the Federation, placing it in a nationalistic context.

DANAS: Why was it that Tito's constructive intentions in favor of consistent affirmation of self-management degenerated in many places into extreme and radical currents of a different orientation: from nationalistic to technocratic and liberalistic?

Bilic: One thing is certain: No one could have manipulated Tito, he believed in the leadership in Croatia, but certain events turned against him. It should not be forgotten that Tito also had his tactics. Following the meeting of the LCY Presidium on Brioni, Tito spoke during the 10th Meeting of the Croatian LC Central Committee in Labin, and then he came to Sibenik, where he talked with the leadership of Croatia, which was relatively content after that meeting, especially with what they had told him. I do not know what Tito said to them.

However, after that Tito delivered a speech at Sutjeska in which he came down hard on nationalism in Croatia, and he said much the same in Zagreb. Then he went to Koprivnica and Varazdin. He had a fantastic welcome there, and it is probably under that impression that Tito said that there was talk of there being nationalism in Croatia, and then in the Drava Valley he saw the enthusiasm of the masses for socialism, brotherhood and unity, equality, for this Yugoslavia. He criticized those who had held that Croatia was now shot through with nationalism. I heard that speech on television, and I immediately called Bakaric. I asked him: Now what does this mean? I can understand that Tito should have said this for tactical reasons, but he might be wrongly interpreted. Bakaric told me that there were several reasons for that, and one of them was that Brezhnev was coming to Yugoslavia in a month's time and Tito wanted to show, and the masses of people in the Drava Valley offered him confirmation of this, that Croatia was not the weakest link in the chain of the Yugoslav federation. Tito then also delivered that famous toast at the Esplanade in the same tone, and this has put people in a quandary and led to a great deal of speculation up to the present day.

DANAS: It was after that the constitution was enacted. There are differing appraisals of it.

Bilic: Through the constitution, which offers a new vision of the development of self-management, especially through the idea of associated labor, there runs like a red thread the intention that all the nationalities and ethnic minorities would create a new brotherhood of a unified Yugoslavia by concluding agreements and compacts on all the essential issues in their life together. It should not be forgotten that the constitution was initiated by those who were the oldest in the movement and who knew that their time was running out, and they wanted to lay the foundations of their accomplishment, to guarantee economic and ethnic equality and the development of self-management. The constitution was the result of an analysis of social development and practice up to that point, but the concern of the most responsible leaders of the revolution about the future of Yugoslavia was also incorporated in it: that is, their desire for the revolution to develop on the foundations that were laid

40 years before. That is probably why the constitution was so detailed, and in that excessive detailing there certainly were things which encouraged the present exclusiveness. In striving to settle accounts in Yugoslavia, everyone drew up his own accounts, trying to get as much for himself as possible. For it was felt that it was better for the republics to "squabble" with one another over how to develop in the future than to "squabble" over the Federation and division of the federal pie. It is probably in the fact of the attempt being made to avoid a tug-of-war over dividing up what there was--which certainly would have been very painful and unpleasant, full of uncertainty--that we should probably seek the reasons for that permissiveness which showed understanding for the desires of all the republics and provinces, and that ultimately resulted in the high borrowing abroad. In that emancipation of the republics and provinces there was a "short circuit" of a practical nature. The interests of the federal units were expressed in the Federation depending on the balance of power among them, but that independent constitutional role of the Federation which was supposed to unify and synthesize everything was not forthcoming. Our Federation was more a coming together of individual interests than of the common interest. That urgently necessary synthesis still has not altogether been brought about either by the LCY Central Committee or by the SFRY Assembly, the Federal Executive Council, or even the State Presidency of Yugoslavia, and it is understandable that the lines of division among the republics and provinces should have become stronger.

DANAS: To what extent can the more recent acknowledgment of market laws have contributed to overcoming those differences? It seems as though we cannot get beyond the dilemmas over that issue, as can be seen both from our documents and also in our practical actions, which usually follow some zigzag line.

Bilic: This is the perpetual dilemma of this socialism itself. I think that the separate document of the Long-Range Program published on small business and the new law on joint ventures are actually on the same wavelength as Lenin's NEP. The policy of giving the same to everyone is a burden on socialism; it is an element of behavior, of social peace, it is constantly pulling us backward, and at the same time, since the market does after all exist, those who hold a monopoly position have been getting rich, and this is affecting both the economic and the moral strength of this country. Instead of allowing all economies to flower freely, all the physical and human potential should be committed, taxes and an appropriate relation between the private and social sector should prevent anomalies, but in 40 years socialism in Yugoslavia has not managed to do that. Unless socialism is rich, it will never be victorious. And there must be no monopolies so that individuals do not get rich exploiting the labor of others. Self-employment will accomplish more than any monopoly. We seem never to be able to get over that childhood disease of socialism.

DANAS: Recently there has been a quite transparent effort to pass off the argument that the Brioni plenum was a mistake, since that is where the dismantling of Yugoslavia began. Is this a failure to understand the true importance of the showdown with Rankovic, of a confusion of causes and pretexts, or of something else again?

Bilic: The first conflict in the Executive Bureau broke out in 1962 during the preparations for the eighth congress, and this was over the issues of the Federation, self-management, the role of the state and the party.

The Brioni plenum in 1966 was only a continuation, evolution, and culmination of that conflict. If we eliminate the deviations in leadership of the party, the government administration, and the State Security Service and dwell only on the political issues, then it is clear that the conflict in 1966 broke out perhaps because of an incident, but the essence lay in differences over the strategy of Yugoslavia's development. The outrages, the microphones, and the bugging were only the pretext, not the essence of the Brioni plenum, the feather that tipped the scale, the last drop which made the cup overflow. It should not be forgotten that Rankovic was a man in whom great confidence was placed, that he was one of Tito's closest collaborators, and that his career is one worthy of respect. But roads of travel have a way of crossing and diverging. Rankovic's policy obviously diverged from the vision of the LCY, and it is clear that we attempted to expose what was referred to as the Rankovic approach in both ideological and political terms.

DANAS: But it is obvious that it is still alive in some places. Let us recall, for instance, his funeral.

Bilic: His funeral brought together more than 100,000 people. I believe that the immense majority were honest people. I understand emotions. Sometimes they are stronger than political good sense. There were those who might by their presence have expressed a subconscious desire for a figure like Rankovic and a system that might be expressed through him, a desire, as it is said, for order, for what we undoubtedly lack, and for what some people see as the way out for current policy, but there were also those there who have not reconciled themselves to the present course of Yugoslavia's development, and they manifested that by their presence at Rankovic's funeral. I have watched the film of the funeral, and as far as I am concerned I would show it on television.

It was an outpouring of an emotion, but to some extent it was also a demonstration. I must say that there have been disagreements in the explanations concerning this. I am not satisfied even today with the way the business was handled and the way it turned out. Those same people who otherwise demand as a matter of principle that everything be published, that nothing be hidden--on this occasion they did not come up to the level of their principles. It has turned out that they actually want nothing to be concealed from a democratic public when that suits them, but not when their own shortcomings might be shown up.

DANAS: We were more or less aware of the problems we are talking about some 4 years ago, at the 12th LCY Congress, when certain foreign newsmen wrote that they had the impression that they were attending the congress of an opposition party, not of the party in power. But nothing constructive came out of all that criticism....

Bilic: Nor did it at the 13th congress....

DANAS: Yes, but the 12th congress ended, or the new party leadership began its life, with the affair of the "first meeting."

Bilic: The very failure of a candidate to be elected a member of the Presidium of the LCY Central Committee in the first round of voting shows that the 12th congress had not gotten beyond certain relations within the League of Communists of Yugoslavia, nor indeed within its leadership. The delegation of the Serbian LC, whose member did not "get through" the first vote, was almost entirely united, it was felt that this was an attack on the League of Communists of that republic. Even a member of the Central Committee said that the delegation of the Serbian LC was reflecting on whether to withdraw from the LCY Central Committee, and that there never had been any incident involving that person. It was interpreted as pressure being applied on SR Serbia, to bring it around and to reduce its influence, its position in Yugoslavia. I could not say that those events had such far-reaching intentions, but let history be the judge of that. I would rather say that this was the result of a greater or lesser political affinity toward that individual, which need not always result from a total assessment. For the moment I would reduce that case to a certain antipathy toward certain political actions of that individual, and those actions took place to a certainty.

DANAS: To what extent did this exchange of fire mark the beginning of the more open exchanges of fire among the republics?

Bilic: I share the opinion of one discussant in a commission of the Serbian LC Central Committee who said that the present events in that republic, because of nationalism and its aggressiveness, as well as because of certain other things, reminded him of the events in Croatia in 1971. All of this has been accentuated by the situation in Kosovo, which has been fraught with problems for a long time now.

Let us be clear about Kosovo. I am chairman of the commission which drafted the conclusion for the government and party Presidium, I was in the group which tried to bring agreement in the leadership of SR Serbia and Kosovo and Vojvodina concerning relations in SR Serbia, and my views are contained in all those resolutions that were adopted. But I would also like to say that we will defend Kosovo as an integral part of Yugoslavia with fire and the sword and let us not leave anyone in doubt as to whether we will take every political and other measure to straighten out the situation there. Party members who are Albanians and the Albanian nationality must have the largest role in this, since it is an old rule that nationalism has to be beaten first in its own ranks. But, as has been correctly noted in the recent past in the Serbian LC Central Committee, the fight against Albanian nationalism in Kosovo and against everything that is happening there also presupposes resolute opposition to Serbian and Montenegrin nationalism. Otherwise there is no solution in Kosovo. The truth and objectivity must be the supreme criteria for the Albanian, but also for the Serbian party members, and especially for their bodies of leadership and for the news media. Often the press writes with good reason about various cases which destroy interethnic relations, but there has also been exaggeration in that zeal. Thus on Belgrade television a woman from Kosovo accused an Albanian man of having killed her husband, and it later turned out that this was not the truth. However, no retraction was ever issued.

SOCIOLOGY

CZECHOSLOVAKIA

PROFESSOR URGES TEACHING OF RUSSIAN LANGUAGE

Prague RUDE PRAVO in Czech 13 Oct 86 p 5

[Article by Prof Eva Fojtikova, PhD, ScC, vice president of the Czech Association of Teachers of Russian: "Combined Study of Russian and Czech"]

[Excerpts] At this year's Jan Amos Komensky [Comenius] Festival in Uhersky Brod, among the main tasks facing our educational system after the 17th CPCZ Congress it was stressed that the time has come when our entire educational system must deal with absolute frankness and urgency with the quality of instruction of Russian and other foreign languages.

This is a demand with which one cannot but agree, but which must be translated into reality. Of course, that calls for a thorough review of the situation, its development and the approach to its solution, without prejudice and voluntarism, on the basis of experience gained by teachers of foreign languages and by institutions which train them, i.e., college departments of philosophy and philology.

At present our education are focusing their attention on new teaching methods, the introduction of computer technology and the completion of contextual restructuring of pedagogical methodology. Under such circumstances it cannot be emphasized enough that every method is only a means to achieve the goal and only an instrument in the teacher's hands. Only a vibrant person with a real calling can combine the tasks of teaching with the education that is emphasized so strongly. There are opportunities that have still not been used in better organization of studies, i.e., in an interconnection of naturally related fields and subjects of study.

The last class majoring in both the Czech and Russian languages graduated from the department of philosophy of Charles' University in 1979. In other words, for the past 12 years no student registered at the university could major in both Czech and Russian. The department of philology at the university demanded the resumption of the above-mentioned teaching qualification which is needed both from the point of view of practical application and also for the further development of our Slavic studies, but the CSR Ministry of Education rejected that request claiming that these two subjects of study are very extensive, that their study difficult, and that the correcting of the great volume of written tests in school would overburden the teacher. This argument failed to

satisfy our Russian linguists, all the less so because for several years the department of philosophy at the Comenius University in Bratislava has matriculated students majoring in both the Russian and the Slovak language for their teaching.

All linguistic studies are based on one's mother tongue and literature. Thus, when discussing the quality of foreign language instruction, we must not ignore the achievements and the shortcomings in Czech language instruction. Ideally, linguistics should not be studied at the level of higher education without a study of one's native language and of the whole substratum of one's native culture. However, by that I do not refer to studies in the current diversified structure of subjects, many of which may be postponed, according to the concept of life-long education, to the future. On the contrary, the study of another language (of a world tongue) enriches Bohemists by giving them a basis for comparison and overcomes their "dumbness" in international contacts which have lately been so lively and in which Czech culture is reaching out far beyond the borders of our nation of 10 million. From this perspective the introduction of the study of the Czech language as a single major is an anachronism that is hard to comprehend and a repetition of an error that has been recognized and corrected once before in the past. Since World War II the Russian language has become the only Slavic world language. Over the past 40 years Russian studies have been demonstrably the leading discipline of all Slavic studies whose foundations were laid in our country nearly 200 years ago by Josef Dobrovsky in an effort to upgrade the Czech language.

Teachers' combined study of Russian and Czech, with a broad cadre base which made it possible to select from among the graduates experts for scientific pursuits, had been the main teaching qualification in linguistic studies for a long time. Nobody doubted its justification because it clearly expressed our society's needs stemming from revolutionary changes after 1945 and from the CSSR's new international position. This teaching qualification brought to our school a socially involved generation trained in linguistics which is now going into retirement; by the same token, it provided a scientific hinterland comparable to advanced international Russian studies. It is an absurd argument that our call for the resumption of combined Russian and Czech studies for teaching qualifications stems from nostalgia. It is invalid because it disregards the deep links between these two Slavic languages and cultures which are decisive for us and cannot be viewed as something ephemeral and opportunistic, something introduced by the revolutionary wave, something that has lost its legitimacy. On the contrary--it is one of those achievements that should be developed further and not gradually knocked down.

From a professional point of view, the combination of the study of Russian with non-linguistic subjects, as practiced for some time, is detrimental to this study and necessarily leads to superficiality. As a matter of fact, it is no less difficult to major in Russian and history, psychology or pedagogy than to study Russian with Czech. The combination with the so-called " - educations" (music, art, physical) in teachers' colleges attracts mostly candidates interested less in Russian studies than in the other area; it is obvious right from the beginning from the students' lack of interest in linguistics, from their scholastic achievements, and finally, from their

teaching. There is an impression that in our country anybody without talent, without any previous preparation, and without any interest can study Russian. One more comment about the level of familiarity with foreign languages among our young generation and about the role of the school: It is a commonly known fact that the challenges to our school are extremely high, although our conditions cannot meet such claims (the size of classes, shortages of qualified educators, the few hours allocated for language instruction during the 5-day week, and our overburdened teachers). Many students lack the motivation--and some also the talent-- for studying foreign languages. This observation is based on distinctly superior achievements in classes with expanded language courses, more of which are sorely need. In addition, we tend to underrate the fact that there are special talents for languages similar to the gift for mathematics, music, sports, etc. Our society would benefit if students interested in foreign languages could attend expanded and diversified courses in school and out of school.

Universities in the CSSR are trying to make up for what lower schools have neglected. If a child is mentally ready, he should be taught a foreign language according to a method tailored to his age. This is practiced, for example, in selected kindergartens in the USSR whose tradition of foreign language instruction to broad strata of population is not as old as ours. In college it is already too late to gain fluency in a foreign language. College students have to deal with many tasks which prevent them from concentrating on their language training, if they do not want to neglect their other courses. It seems that the effort to postpone the study of foreign languages resulted in the proposal made by both our ministries of education that selective courses of one other foreign language (in addition to Russian) be offered in the 5th grade of elementary school. Unfortunately, this program is a half-baked improvisation; mandatory Russian study also begins in the 5th grade and with it initial difficulties of learning the Cyrillic alphabet, etc. How can children cope with such stress in a single year? How will it be reflected in their attitude to the subject of study?

Our time imposes enormous demands on education both in school and out of school. It calls for versatility and for the nurturing of talent. The 17th CPCZ Congress challenged experts from all areas to take a critical look at themselves, to eradicate shortcomings and stereotypes, and to improve the quality of their work. This applies also (and not least of all) to the linguistic training of our young generation.

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SOCIOLOGY

CZECHOSLOVAKIA

# IMPACT OF TECHNOLOGICAL CHANGES ANALYZED

Prague TRIBUNA in Czech 20 Aug 86 pp 8-9

[Article by Vladimir Kavan: "R&D Revolution and We"]

[Text] As many views as there are individuals have been expressed about this topic, and it is a fact that each of them contains a grain of truth. We have become accustomed to the concept of the R&D revolution; it no longer excites us as it used to in the past. It is discussed everywhere. We have become sophisticated; we can even explain how that process will affect each of us. With a bit of imagination we can easily describe a future in the sign of comprehensive electronization or "computerization." However, the real world in which we live is still far away from it.

It is precisely our habit to think in stereotypes that compels us to view the R&D revolution as a distant utopian future which will come sometime after us. We are too much dyed-in-the-wool realists who recognize bureaucratism as the pitfall for every problem, our own impotence and frequently our ignorance about which we would rather not boast in public. We have become used to waiting until "somebody" finds a solution for us, until somebody else creates certain opportunities and develops new technologies; then we come forward and take advantage of all of them. Of course, this is not--and cannot be--the socialist way; we do not have a "somebody" who would stand above society and behind our backs, who would think for us and introduce R&D revolution. No substantive changes can take place until we answer the question why R&D progress is not moving ahead at proper speed, for what reasons, and what are the ways of that progress.

The analysis of bourgeois society has disclosed dichotomies cropping up in the course of implementing the R&D revolution; on the one hand, a rise in unemployment, and on the other, new branches of production are in dire need of highly skilled personnel. Unemployment and at the same time a demand for work forces--that is the paradox of capitalism which must be accepted as a matter of fact. In the West this phenomenon is called "structural unemployment." The following questions arise: What is behind it? What in essence does it mean? Does it always occur? Does it also accompany the R&D revolution under different social conditions? Are there--or are there not--some general laws for this phenomenon? Until these questions are answered we may find it difficult to advance--to get to the essence of the implementation of R&D revolution in means of production.

There is no use concealing the extremes in the replies to those questions; after all, we all are fully aware of them. On the one hand, antisocialist propaganda furiously maintains that socialism and the R&D revolution are incompatible. It alleges that the CSSR social system must be "replaced" if our worker is to gain some access to the advantages of R&D progress. It claims that the planned system and the implementation of R&D progress cannot go hand in hand. However, we had at least some experience in this area in 1968. When the khozraschet sphere was practically wrenched away from the planned management system, it turned out that our enterprises did not exactly throw themselves headlong into practical introduction of R&D achievements. On the contrary, various kinds of goods disappeared from the market. Prices started to escalate. Enterprises felt their monopolistic superiority vis-a-vis consumers and serenely rested on their laurels, while wage increases ceased to be contingent on labor productivity and inflationary trends began to emerge in economy.

On the other hand, people who occasionally hear the pronouncements of certain comrades gain the impression that all we need is to utter the word "socialism" and somehow the R&D revolution will automatically become a reality. To "prove" that point, facts are blithely rattled off: we have this and we have that; we have started this and that. Alas, in reality, R&D progress is advancing at a snail's pace.

Let us be self-critical and look the truth in the eye. In our country R&D revolution is not advancing as rapidly as it should. However, let us ask--are not all of us, each in his own way, to blame?

Let us return to the means of production. It is precisely they which must stimulate accelerated development. There is no doubt about it, but the views of experts and, in fact, also of laymen differ on how and where it should take place. Everybody looks at this problem from his own perspective.

One of the tendencies peculiar to R&D which may be noted in various countries is the "innovation" of whole branches; some are disappearing, others are being organized; individual areas and whole countries are making fundamental changes in their profile of production and economy. This brings up the following questions: How will it affect our country? What will happen if, for example, in a town with more than a century-old tradition of steelmaking that industry is cut back and the local population is offered new types of jobs? It is certain that the opponents of such changes will object; after all, the CSSR is one of the foremost countries in per capita steel production. The workers will not be pleased with such innovations either. Production cutbacks mean that some employees will have to give up the jobs they had been doing so far, and in all probability, their wages will be cut.

This graphic illustration is intended to show that every structural change in the economy also affects the social sphere. Where is a solution? Let us take a closer look at the statistics, facts and Marxist political economy.

1. Practically one out of every 4 workers in the CSSR does not hold the job for which he has been trained (the fluctuation problem).

2. In socialism every citizen has the right to choose the field of his occupation, the place of his residence, and the area in which to apply his skills. Moreover, the state guarantees every citizen a job, or conversely--there is no unemployment in socialism.

These facts and the regulations observed in our life show in effect that the law of labor realignment is applied as follows: the state guarantees jobs, and every individual may find for himself a field where he wishes to work and where he wishes to use his skills.

However, let us look at this problem from the standpoint of the national economy. We can see that here the law of labor realignment in society is actually applied arbitrarily. The state tries to expand its educational system, but it has no right to force anyone to work in a place where it may be expedient at that particular moment. The only way it may achieve that objective is by economic mechanisms--for instance, work forces may be obtained if the wages are raised. Those who cannot find a "better" job will take a job that happens to be available. (Thus, in fact, an arbitrary distribution of workers is practiced in production spheres in individual areas, if we disregard qualification and other aspects,)

Let us take a look at the time factor. For expeditious structural changes of economy in a particular area it is necessary to terminate one production and to launch another. R&D revolution requires structural changes not only of the means of production but also of the subjective factor. In the lifetime of one generation the population in individual areas must be compelled (as well as given the opportunity) to change its work style completely, but by the same token, it should not abandon the given area and thus a social and cultural decline of that particular region should be prevented.

How to justify the many problems occurring in this conjunction:

--the theoretical problem--the advantage of socialism is not in the guarantee that an employee would hold the same job all his life, and that he would perform a specific type of work chosen once and for all according to his own wishes; rather, the advantage is that socialism always guarantees his employment and in case of a change (reconstruction) of the methods of operations in a given area, it retrains him and helps him learn new skills;

--another, practical problem--economic reconstruction in individual regions will indisputably lead to the revamping of the occupational structure, i.e., to changes both in the structure of the "subordinates and managers" and in the age structure. There are potential permutations when the young people in a new production facility display outstanding skills, while older employees have to take a step down the professional scale. Personal dramas cannot be avoided, but what is more important: how to correlate systems of material security in the former and in the new means of production? There, too, disharmony and conflicts may appear.

The problem of temporary job lay-offs is that social demagogues might describe them as "unemployment." This will lead to complex social ramifications because ill feelings and controversies may surface in society--under the slogan: "Give me back the job for which I'm qualified, and that's that; I don't want to be retrained, I am too old for that, and I do not like the new job..."

In a certain context exceedingly complex social problems may also have deep political implications.

Nevertheless, the main difficulty is that current and future R&D achievements cannot be utilized without drastic structural changes in our economy and without retraining hundreds of thousands of employees for new jobs.

The problems which have emerged demand that the state assume well-planned control over the application of the law on labor realignment:

--Our whole educational system must be flexible enough to create new jobs, while other occupations are slowly declining, and to develop a program of vocational guidance;

--further explanations are needed about the nature of socialist values, in particular when one type of economic production in this or that area undergoes a change;

--as for the character of employment, values will change during the lifetime of one generation. Work itself must be the real value, although its specific expression and form may change. Therefore, the interests of society and of individual employees must be unified.

Let us ask ourselves whether we are prepared for such changes. Have our planning agencies prepared appropriate concepts for the structural changes in our economy? Are we not hampered by our proclivity for stereotypes and red tape?

Is our school system prepared for a flexible and prompt change? Is there a concept about what types of jobs will be in demand in the future? Have our scientific institutes prepared justification of the new forms of planned management? How will our society look after its reconstruction? What funds should we invest, and what are our social, economic and political risks?

Our system of socialist values must be dynamic and progressive; at the same time, its basic links cannot be forged from one generation to the next but already during the life of a single generation. The law of the division of labor and the restrictions which it imposes on the choice of employment must already be applied during the lifetime of one generation. This must be done without delay if the achievements of R&D revolution are to be fully utilized.

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SOCIOLOGY

YUGOSLAVIA

ARTICLE VIEWS TETOVO FIRM'S PROBLEMS IN RETAINING WOMEN

Zagreb VJESNIK in Serbo-Croatian 12 Oct 86 p 7

[Article by Djordje Jankovic: "Prejudices: A Factory Has Trouble with Women"]

[Text] A modern clothing factory was opened 5 years ago in Pirok, not far from Tetovo. It had an auspicious beginning and continues to operate successfully. Its products are exported to the United States, Sweden, and Iran. However, it is highly unusual in one respect. The women of the village do not want to work at the factory. Why?

Pirok is a village at the foot of Sar Mountain. It is situated about 8 kilometers from Tetovo on the road leading to Ohrid from Skoplje by way of Gostivar and Kicevo. It is similar to other villages in the fertile Pologa Plain irrigated by the green waters of the Vardar. Populated mostly by Albanians, it has a school, a mosque, several self-service stores, cafes, pastry shops, and other establishments.

The only thing that distinguishes Pirok from other villages in this region is that it has a factory. Teteks built its clothing manufacturing facility here 5 years ago, including a modern production building, warehouses, and administrative offices. This writer attended the factory ground-breaking ceremony and can still hear the speeches, toasts, and optimistic predictions that the factory would revitalize the village and the entire surrounding region and that it would create great potential for employing the women of the area.

The expectations have for the most part been fulfilled. The bulk of the output (jackets, blouses, shirts, and other garments) makes its way from here to all parts of Yugoslavia and to the United States, Sweden, Iran, and other countries. The factory employees have their hands full these days constantly getting new consignments ready for shipment abroad.

"It could be even easier for us," says Zemrije, one of the 180 workers employed on the 2 shifts. "We have jobs for that many more people, but fewer and fewer of the women in our villages are interested in working at the clothing factory."

If The Husband Permits It

Why?

"There is no simple answer to this question," says Rexhepi Fazli, the second shift manager. "In this region there is a tradition of long standing that the wife should stay at home, take care of the children, and cook meals. It is the man who should find a good job and earn money. If he can't find work in the village or in Tetovo, he goes abroad to get a job, as we say in these parts.

"It is also a fact that the villages of Bogovine, Gradac, Kamenjane, Celopek, and others in the vicinity are large and have a large number of inhabitants. The land here is fertile, and the people are industrious and earn enough money. It is for this very reason that they are not interested in the 50,000 or 60,000 dinars a month that a woman could earn by working 8 hours a day in the factory."

Fazli adds, "However, there are some who have stayed here. Have a talk with our workers."

It is not difficult to find someone to talk to in the well-lit, spacious production building, where the hum of the sewing machines is the only sound heard.

"I have been working here for 3 years now," says 18-year-old Ljuljita Bakiu without stopping the machine on which she is hemming pockets on blue blouses. "I want to stay on at the factory, but I don't know if Daut will let me. It depends on what agreement we reach."

Daut is her fiance, who works as a presser at the Teteks. It is possible that he will not keep up the customary tradition here of having the wife quit her job and keeping her at home.

"We don't receive much pay," continues Ljuljita. "It depends on how much business we have. Last month I made 36,000 dinars, but there are better months in the year when we make more."

"It's not good for our women to quit when they get married, but it often happens," says Gjylshen Musliu, who has worked at the factory from the day it opened. "I'm married and my husband Aziz and I have a son, Agron, who is 3 1/2 years old now, but I haven't quit my job. After all, you can live better when two are working rather than just one.

This opinion is shared by Dadira Abdula, a married woman with one child who lives in the neighboring village of Gradec.

"I think that the long-established tradition contributes to this, along with religious views. It's the custom here for the husband to see to earning a

living, but if he can't make enough from farming or at a job, he goes outside the area, even to another country, where he can earn more. If he can make 15-20 million dinars, he has enough and his wife has to stay home to look after the children."

It is also not unusual to find the opinion expressed that people here are rich and industrious but proud. There are persons who live on a more modest scale, earning only enough, as the people say, to buy bread and salt, but will not allow their wives to work in a factory. A sociologist would say that the patriarchal structure and fidelity to customs carry greater weight in the reasoning of these people than practical considerations and emancipation. There is also the conservative attitude that physical labor, a job in industry, is not for women. Consequently, there are very few women, and virtually no Albanian women in the employment office's files.

### Leaving for Marriage

For this reason the large Teteks integrated enterprise, which currently has more than 7,000 employees, and the Jugohrom integrated metallurgical enterprise, look in Skoplje, Gostivar, and even Prilep for workers, technicians, and engineers. Today Teteks employs more than 200 workers who daily commute the 40 kilometers between Tetovo and Skoplje. Transportation is provided for them by their employee group. The clothing factory in Pirok, where there are over 100 jobs vacancies, will probably solve the problem in the same way. It is not efficient, as is the custom here, for a girl to go to work when she is 15 years old, be trained as a seamstress or in another trade, and quit work after 3 or 4 years when she gets married.

A girl who is not married by the time she is 18 or 20 is considered to be "too old" and can get married after this age only by employing the services of a matchmaker (go-between or relative), something which is considered in everyday life to be a failure. This is prejudice, but it lives on in human consciousness.

The problem, which according to engineer Branko Pejcinovski, production manager at the clothing factory, all of Macedonia faced 15 to 20 years ago, is very pronounced here now. This is a problem demanding solution. It cannot be solved merely by studies and pronouncements.

"We must solve our personnel problem by importing workers from Tetovo, Skoplje, and other cities, improving transportation facilities, and, of course, by providing better incentives for our workers," states Pejcinovski. "We know that our textile industry has been operating efficiently for some time now and is solving its employment problems, but there is little investment in the industry."

### The Dead End of Education

When all the facts have finally been brought together, we find that the problem of manpower needed by industry is one of the most interesting matters

in the area of sociopolitical phenomena in Tetovo Commune. This administrative subdivision currently has around 180,000 inhabitants, 26 percent of whom are Macedonian, 68 percent Albanians, 4 percent a Turkish ethnic group, and 2 percent members of other nationalities or ethnic groups. To a greater extent than earlier, however, it is estimated that interethnic relationships in this heterogenous environment have become frigid. People have isolated themselves, and there is not enough community spirit, even though people have always lived here together on friendly terms. Consequently, meetings are frequently held in Tetovo and the surrounding villages at which there is an attempt at frank discussion of the "stepped up activity from nationalist positions, and Albanian nationalism and irredentism," against which the League of Communists and other sociopolitical organizations have not taken timely, energetic action, as they have not done against the manifestations of weakness and neglect in the conduct of the commune's personnel policy, instances of corruption and bribery, weakness in the work of the legal authorities, and so forth.

One of the most important questions waiting to be answered in these discussions is surely this: why are young people allowed to be indoctrinated, to be more readily subjected to the influence of Moslem or Christian clergy than to that of youth organizations, the League of Communists, or the Socialist League? As for employment of young women, how is it that they are more willing to stay shut up at home than go to work in the factory? Hasn't education of children and young people turned into a blind alley when the fate of the young is allowed to be determined by prejudices and outmoded customs?

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